

## SENATE

WEDNESDAY, MARCH 18, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

## THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 17, 1936, was dispensed with, and the Journal was approved.

## CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barbour	Dickinson	Loneragan	Russell
Barkley	Donahay	Long	Schwellenbach
Benson	Duffy	McAdoo	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkley	Glass	Minton	Truman
Bulow	Guffey	Moore	Vandenberg
Burke	Hale	Murphy	Van Nuys
Byrd	Harrison	Murray	Wagner
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norbeck	Wheeler
Caraway	Holt	Norris	White
Carey	Johnson	Overton	

Mr. VANDENBERG. I announce the necessary absence of my colleague the senior Senator from Michigan [Mr. COUZENS], who is detained at his home by illness. I ask that the announcement stand for the day.

Mr. LEWIS. I regret to have again to announce the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness. I announce further that the Senator from Nevada [Mr. McCARRAN], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from New Mexico [Mr. CHAVEZ], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Maryland [Mr. TYDINGS], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Oklahoma [Mr. THOMAS], and the junior Senator from Oklahoma [Mr. GORE] are unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

Mr. FLETCHER. I announce that my colleague the junior Senator from Florida [Mr. TRAMMELL] is detained on account of illness. I ask that the announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

## GULF-ATLANTIC SHIP CANAL ACROSS FLORIDA

Mr. FLETCHER. Mr. President, I ask leave to insert in the RECORD a letter which I have just received which is pertinent to the discussion respecting the Atlantic-Gulf Ship Canal across Florida. The letter is addressed to me by a distinguished United States district engineer, retired, Col. Gilbert A. Youngberg.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., March 17, 1936.

Subject: Gulf-Atlantic Ship Canal across Florida.

Hon. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: From a friend in Washington I have received a copy of a circular letter, dated March 12, carrying the signature, by rubber stamp, of Col. Frank B. Shutts, publisher of the Herald in Miami, Fla. I am informed that this circular letter is being mailed to every Member of the United States Senate. If my information is correct, then you will have received a copy thereof.

The outstanding paragraph in the letter of Colonel Shutts is quoted, as follows:

"In my judgment, if the Florida cross-State canal is completed, within 10 years, probably within your time and mine, the greater part of south Florida may be another great American desert, open only to the winds—a magnificent territory as it now exists; then lost to the world."

This judgment, as expressed, would be astonishing coming from anyone, but it is particularly astounding coming from Colonel Shutts, in view of his standing as an attorney and his undoubted ability to receive and weigh evidence. It might be inferred that he is hedging by using the word "may" to signify a remote contingent possibility rather than as a frequently accepted synonym of the verb "will." If, on the contrary, it is Colonel Shutts' real judgment as to the effects of this project, then it is clear that he has not familiarized himself with the evidence.

A special board of most competent engineers and geologists has recently rendered a report published as Senate Document No. 147, Seventy-fourth Congress, second session. With reference to the colonel's fears that south Florida may be another great American desert, the report states that:

"The pursuit of agriculture and the growth of vegetation, even in the area contiguous to the right-of-way where the ground water table will be lowered by the canal cut, will not be affected."

It states further that:

"The domestic water supplies of such cities as Jacksonville, Tampa, Palm Beach, or Miami will be entirely unaffected . . . by digging a sea-level canal."

Again, the report states that salt-water encroachment inward from the two ends of the canal, or by upward movement from the bottom of the fresh-water reservoir, cannot cause salted water to enter and thereby contaminate the main body of the readjusted ground-water reservoir against the fresh-water discharge into the canal.

Much reliance has been placed by the Miami Herald and other newspapers on statements alleged to have been made by Dr. Herman Gunter, State geologist, and by Mr. Harry Slattery, secretary of Mr. Harold Ickes, Public Works Administrator. Dr. Gunter has been misquoted and/or misinterpreted. His opinion, as expressed in letters to me, does not differ from that of the special boards of engineers and geologists.

Furthermore, Dr. Gunter states that his opinions were based on his knowledge of underground conditions accumulated over a period of years from observations made by him and casual records of the borings of artesian wells. The report of the special board of engineers and geologists is, however, based on many months of study and special investigations made at very considerable expense by employees of the United States with special reference to the ship canal.

I would add that the professional ability and the personal and professional integrity of the members of these numerous special boards of engineers and geologists are not one whit less than that of Colonel Shutts or other eminent practitioners of law.

In short, if Colonel Shutts will take the time and trouble to study the evidence accumulated on this cross-State canal project in the course of the last 30 years, he will find that the magnificent territory of south Florida as it now exists will not be lost to the world but, on the contrary, will be greatly benefited and will become even more magnificent than it now is.

In the first and last paragraphs of his letter, Colonel Shutts denies that he is actuated by ulterior motives. Of that I am, of course, not in a position to judge; but it is an interesting coincidence that the railroads were the first to advance the idea that the canal would intercept the water supplies of south Florida and that Colonel Shutts' law firm is counsel for one or more of these railroads.

It may be observed that many of the editorials appearing in Miami papers and much of the comment of special columnists embody more or less scurrilous personalities directed against your sincerity as a United States Senator and your ability to form judgments, and include as well attacks upon the professional and personal probity of eminent engineers who have had occasion, as employees of the United States, to study the question and to render to their client, the United States, their honest opinions. I doubt that Colonel Shutts is himself the author of these editorials or that his paid employees have any knowledge or appreciation of the ethics of the engineering profession. For their benefit, I would quote the distinguished engineer, Daniel W. Mead, who, when accused by a certain politician of having prepared a paper as the paid creature of the Power Trust, replied: "My services are for sale. My opinions, never!"

It is no more becoming for the employees of Colonel Shutts to attack the probity of the engineers employed by the United States to pass upon the cross-State canal project than it would be for the said engineers or their subordinates to attack the professional probity of Colonel Shutts as an attorney. There is such a thing as honor between professional men, and I respectfully submit that Colonel Shutts might well inculcate some recognition of this fact on the part of his journalists.

Very truly yours,

G. A. YOUNGBERG.

## SITES FOR FEDERAL BUILDINGS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act entitled "An act providing for the construction of certain public buildings,

and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended, for the purpose of extending the area within the District of Columbia within which sites may be selected for the construction of suitable accommodations for the executive departments and independent establishments of the Federal Government, including suitable grounds, parking, and approaches, which, with the accompanying paper, was referred to the Committee on Public Buildings and Grounds.

#### REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, chairman of the Migratory Bird Conservation Commission, submitting, pursuant to law, the report of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

#### REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman and secretary of the Reconstruction Finance Corporation, reporting, pursuant to law, on the operations of the Corporation for the fourth quarter of 1935, and for the period from the organization of the Corporation on February 2, 1932, to December 31, 1935, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Florence Acres Community Club, of Monroe, Wash., favoring the removal of Administrator Tewksbury, of the Works Progress Administration for the third district, which was referred to the Committee on Education and Labor.

He also laid before the Senate a paper from the Florence Acres Community Club, of Monroe, Wash., endorsing a resolution adopted by the Tri-County Project Workers Union conference, protesting against alleged discrimination against union members of the Works Progress Administration, and favoring the reinstatement of discharged workers, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Hamilton County (Tenn.) T. V. A. Cooperative Committee, favoring the enactment of the bill (S. 3483) to provide for rural electrification, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Igloo No. 1, Pioneers of Alaska, Nome, Alaska, favoring the enactment of legislation for the construction of a Government-built and operated hospital for the care of the insane of Alaska, which was referred to the Committee on Territories and Insular Affairs.

Mr. CAPPER presented resolutions adopted by Hawkeye Grange, No. 1050, of Canton; Wheat Belt Grange, No. 1735, of Lewis; Progressive Grange, No. 1902, Seward County, of Liberal; and Pleasant View Grange, No. 1596, Franklin County, of Pomona, all of the Patrons of Husbandry; and the Rural Community Club of Emporia, all in the State of Kansas, protesting against the enactment of Senate bill 1632, providing for the regulation of commerce by water carriers, which were ordered to lie on the table.

#### REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3516) for the relief of Alice D. Hollis, reported it without amendment and submitted a report (No. 1704) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, reported it with an amendment and submitted a report (No. 1705) thereon.

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (S. 3477) relating to the jurisdiction of the judge for the northern and middle districts of Alabama, reported it without amendment and submitted a report (No. 1706) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6645. A bill to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (Rept. No. 1708); and

H. R. 8559. A bill to convey certain land to the city of Enfield, Conn. (Rept. No. 1707).

#### ADDITIONAL COPIES OF "THE LIFE AND MORALS OF JESUS"

Mr. HAYDEN, from the Committee on Printing, to which was referred Senate Concurrent Resolution 31 (submitted by Mr. FLETCHER on Feb. 20, 1936), reported it without amendment; and the resolution was considered by unanimous consent and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring), That there be printed and bound, with illustrations, by the photolithographic process, in such style and manner as may be directed by the Joint Committee on Printing, 4,600 additional copies of the House Document No. 755, Fifty-eighth Congress, second session, entitled "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson, as the same appears in the National Museum; of which 1,500 copies shall be for the use of the Senate and 3,100 copies for the use of the House of Representatives.*

#### ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 17, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1453. An act to create a board of shorthand reporting, and for other purposes;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; and

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting, Lief Eiriksson Discovers America.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 4299) granting a pension to Augusta S. Skelly; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4300) authorizing the appointment of Fred J. Stevens, Jr., as a second lieutenant, Army Air Corps; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 4301) to provide for the termination of the additional liability imposed upon shareholders of national farm-loan associations; to the Committee on Banking and Currency.

By Mr. METCALF:

A bill (S. 4302) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 4303) for the relief of the Lake Chelan Reclamation District; to the Committee on Claims.



By Mr. TRUMAN:

A bill (S. 4304) for the relief of Carl E. Padgett; to the Committee on Claims.

By Mr. KING:

A bill (S. 4305) to provide for a preliminary examination and survey to determine the feasibility and cost of diverting the surplus waters of the Green River, Wyo., to the Bear River, for the purpose of irrigating the lands in the Bear River basin; to the Committee on Irrigation and Reclamation.

By Mr. TOWNSEND (for Mr. HASTINGS):

A bill (S. 4306) granting a pension to Anna Haley (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4307) for the relief of Sol J. Hyman; to the Committee on Claims.

A bill (S. 4308) for the relief of Chester G. Dixon; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4309) to increase the efficiency of the Air Corps Reserve; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 4310) to authorize the erection of a United States Veterans' Administration hospital in the State of Alabama; to the Committee on Finance.

By Mr. COPELAND (by request):

A joint resolution (S. J. Res. 235) authorizing the Secretary of Agriculture to expend funds of the Agricultural Adjustment Administration for participation by the United States in the 1936 Sixth World's Poultry Congress; to the Committee on Agriculture and Forestry.

#### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate, by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On March 7, 1936:

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2469. An act for the relief of E. L. Hice and Lucy Hice;

S. 2961. An act for the relief of Peter Cymboluk;

S. 2980. An act for the relief of Ruby Rardon; and

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar).

On March 10, 1936:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery; and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

On March 11, 1936:

S. 2875. An act for the relief of J. A. Jones; and

S. 3274. An act for the relief of Mary Hobart.

On March 12, 1936:

S. 3001. An act for the relief of Walter F. Brittan; and

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

On March 14, 1936:

S. 2219. An act for the relief of D. A. Neuman; and

S. 1124. An act for the relief of Anna Carroll Taussig.

On March 16, 1936:

S. 1991. An act for the relief of Wilson G. Bingham.

#### NEW YORK STATE HOUSING ACT—DECISION OF STATE COURT OF APPEALS

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the text of the decision rendered by the Court of Appeals of the State of New York upholding the constitutionality of the State Housing Authority Act, the decision being written by Judge Leonard C. Crouch. It involves the right of the State to condemn property for the purpose of slum clearance. It is a very

important decision, the first of its kind rendered by the Court of Appeals of the State of New York.

There being no objection, the text of the decision was ordered to be printed in the RECORD, as follows:

[From the New York Times of Mar. 18, 1936]

#### TEXT OF DECISION UPHOLDING THE STATE HOUSING LAW

The petitioner, a public corporation organized under the municipal housing authorities law (Laws of 1934, ch. 4, comprising secs. 60-78, inclusive, of the State housing law, being Laws of 1926, ch. 823), seeks to condemn certain premises in the city of New York owned by the defendant, Andrew Muller, the public use for which the premises are required is stated in the petition to be:

"The clearance, replanning, and reconstruction of part of an area of the city of New York, State of New York, wherein there exist, and the petitioner has found to exist, insanitary and substandard housing conditions."

As part of its project the petitioner has acquired by purchase properties contiguous on both sides of the premises in question. Acquisition of the defendant's property is therefore necessary for the carrying out of the project. The premises consist of two old-law tenement houses. The owner resists condemnation upon the ground that the municipal housing authorities law violates article 1, section 6, of the State constitution and the fourteenth amendment of the Federal Constitution, because it grants to petitioner the power of eminent domain for a use which is not a public use.

Briefly and broadly stated, the statute provides that a city may set up an authority with power to investigate and study living and housing conditions in the city, and to plan and carry out projects for the clearing, replanning, and reconstruction of slum areas and the providing of housing accommodations for persons of low income as a monthly rental, the maximum of which shall be \$12.50 per room.

#### BOND ISSUES COVERED

It is empowered, under certain limitations, to issue and sell bonds which, however, shall not be a debt of the State nor of the city; and it may not in any manner pledge the credit of the State or city or imposed upon either any obligation. It is granted the power of eminent domain, to be exercised as provided, and it is exempted from the payment of certain taxes and fees.

In enacting the statute, the legislature, after thorough investigation, made certain findings of fact, upon the basis of which it determined and declared the necessity in the public interest of the provisions enacted, and that the objects thereof were "public uses and purposes for which public moneys may be spent and private property acquired" (sec. 61).

The facts found were that "in certain areas of cities in the State there exist insanitary and substandard living conditions owing to overcrowding and concentration of population, improper planning, excessive land coverage, lack of proper light, air, and space, insanitary design and arrangement, or lack of proper sanitary facilities; that there is not an adequate supply of decent, safe, and sanitary dwelling accommodations for persons of low income, and these conditions cause an increase and spread of disease and crime and constitute a menace to the health, safety, morals, welfare, and comfort of the citizens of the State, and impair economic values; that these conditions cannot be remedied by the ordinary operation of private enterprise."

It is true that the legislative findings and the determination of public use are not conclusive on the courts (*Pocantico Water Works v. Bird*, 130 N. Y. 249). But they are entitled at least to great respect, since they relate to public conditions concerning which the legislature, both by necessity and duty, must have known (*Block v. Hirsch*, 256 U. S. 135; *People v. Charles Schweinler*, 214 N. Y. 395).

The existence of all the conditions adverted to by the legislature was alleged in the petition and proved with reference to the area included in the project, of which the premises in question are a part.

The public evils, social and economic, of such conditions are unquestioned and unquestionable. Slum areas are the breeding places of disease, which take toll not only from denizens but by spread from the inhabitants of the entire city and State.

Juvenile delinquency, crime, and immorality are there born, find protection, and flourish.

Enormous economic loss results directly from the necessary expenditure of public funds to maintain health and hospital services for afflicted slum dwellers and to war against crime and immorality.

Indirectly, there is an equally heavy capital loss and a diminishing return in taxes because of the areas blighted by the existence of the slums.

#### HELD MATTERS OF STATE CONCERN

Concededly, these are matters of State concern (*Alder v. Deegan*, 251 N. Y. 467, 77), since they vitally affect the health, safety, and welfare of the public.

Time and again, in familiar cases needing no citation, the use by the legislature of the power of taxation and of the police power in dealing with the evils of the slums has been upheld by the courts.

Now, in continuation of a battle, which, if not entirely lost, is far from won, the legislature has restored to the last of the trinity of sovereign powers by giving to a city agency the power of eminent domain. We are called upon to say whether under the facts of this case, including the circumstances of time and place, the



use of the power is a use for the public benefit—a public use—within the law.

There is no case in this jurisdiction or elsewhere directly in point. Governmental housing projects constitute a comparatively new means of remedying an ancient evil. Phases of the general subject were before the courts in *Green v. Frazier* (44 N. Dak. 395; affd. 253 U. S. 233), and in *Willmon v. Powell* (91 Calif. App. 1), where the power to spend public funds for such projects was upheld. (See also *Simon v. O'Toole*, 108 N. J. L. 32; affd., 108 N. J. L. 549.)

In *United States of America v. Certain Lands in Louisville et al.* (78 Fed. (2d), 684), it was held that, while such a project might be within the scope of a State's activities, it was not one which the Federal Government had power to undertake.

#### DRAINAGE CASES ARE CITED

The cases in this State which, perhaps, afford the closest analogy are the drainage cases, where land was permitted to be taken by eminent domain in the interest of public health, even where there was incidental benefit to private interests. (See e. g., *Matter of Ryers* (72 N. Y. 1); *Board of Black River Regulating District v. Ogsbury* (203 A. D. 43; affd., 235 N. Y. 600).)

"To take," said the court, "for the maintenance and promotion of the public health is a public purpose" (*Matter of Ryers*, supra, P. G. 7). Over many years and in a multitude of cases the courts have vainly attempted to define comprehensively the concept of a public use and to formulate a universal test. They have found here, as elsewhere, that to formulate anything ultimate, even though it were possible, would, in an inevitably changing world, be unwise, if not futile.

Lacking a controlling precedent, we deal with the question as it presents itself on the facts at the present point of time.

"The law of each age is ultimately what that age thinks should be the law" (*People ex rel. Durham R. Corp. v. La Fetra* (230 N. Y. 429, 450)).

The fundamental purpose of government is to protect the health, safety, and general welfare of the public. All its complicated activities have that simple end in view. Its power plant for the purpose consists of the power of taxation, the police power, and the power of eminent domain.

Whenever there arises in the State a condition of affairs holding a substantial menace to the public health, safety, or general welfare, it becomes the duty of the Government to apply to it whatever power is necessary and appropriate to check the menace.

#### SLUM MENACE LONG RECOGNIZED

There are differences in the nature and characteristics of the powers, though distinction between them is often fine (*People ex rel. Durham R. Corp. v. La Fetra*, supra, P. G. 444). But if the menace is serious enough to the public to warrant public action, and the power applied is reasonably and fairly calculated to check it and bears a reasonable relation to the evil, it seems to be constitutionally immaterial whether one or another of the sovereign powers is employed.

The menace of the slums in New York City has been long recognized as serious enough to warrant public action. The session laws for nearly 70 years past are sprinkled with acts applying the taxing power and the police power in attempts to cure or check it.

The slums still stand. The menace still exists. What objections, then, can be urged to the application of the third power, least drastic, but as here embodied probably the most effective of all?

It is said that private enterprise, curbed by restrictive legislation under the police power, is adequate and alone appropriate. There is some authority to that effect in other States.

A sufficient answer should be the page of legislative history in this State and its result referred to above. Legislation merely restrictive in its nature has failed because the evil inheres not so much in this or that individual structure as in the character of a whole neighborhood of dilapidated and unsanitary structures.

#### PUBLIC CONTROL CALLED SOLUTION

To eliminate the inherent evil and to provide housing facilities at low cost—the two things necessarily go together—require large-scale operations which can be carried out only where there is power to deal in invitum with the occasional greedy individual owner seeking excessive profit by holding out.

The cure is to be wrought not through the regulated ownership of the individual, but through the ownership and operation by or under the direct control of the public itself.

Nor is there anything novel in that. The modern city functions in the public interest as proprietor and operator of many activities formerly, and in some instances still, carried on by private enterprise.

It is also said that since the taking is to provide apartments to be rented to a class designated as "persons of low income", or to be leased or sold to limited dividend corporations, the use is private and not public.

This objection disregards the primary purpose of the legislation. Use of a proposed structure, facility, or service by everybody and anybody is one of the abandoned universal tests of a public use (*Mount Vernon-Woodbury Cotton Duck Co. v. Alabama Interstate Power Co.*, 240 U. S. 30, 32; *Strickley v. Highland Boy Gold Mining Co.*, 200 U. S. 527; *Rindge Co. v. County of Los Angeles*, 282 U. S. 700; *Fallbrook Irrigation District v. Bradley*, 164 U. S. 112, 161-162).

#### LAW HELD TO PROTECT ALL

The designated class to whom incidental benefits will come are persons with an income under \$2,500 a year, and it consists of two-thirds of the city's population. But the essential purpose of

the legislation is not to benefit that class or any class; it is to protect and safeguard the entire public from the menace of the slums.

The so-called limited-dividend corporations referred to were provided for in the State housing law (Laws of 1926, ch. 823), and embody another and different attempt to solve the problems. The constitutionality of the scheme was unsuccessfully attacked in the courts (*Mars Realty Corporation v. Sexton*, 141 Misc. 622; *Roche v. Sexton*, 268 N. Y. 594; *Cf. Matter of Mount Hope Development Corporation v. James*, 258 N. Y. 510).

After 10 years of experiment its use, for economic reasons, has proved inadequate as a solution.

Nothing is better settled than that the property of one individual cannot, without his consent, be devoted to the private use of another, even when there is an incidental or colorable benefit to the public.

The facts here present no such case. In a matter of far-reaching public concern the public is seeking to take the defendant's property and to administer it as part of a project conceived and to be carried out in its own interest and for its own benefit. That is a public benefit and therefore, at least as far as this case is concerned, a public use.

The order and judgment should be affirmed.

#### WILD WATERFOWL PROBLEMS—PAPER BY JOHN C. HUNTINGTON

Mr. McNARY. Mr. President, at the recent North American Wildlife Conference there was presented by John C. Huntington, vice president, More Game Birds in America, Inc., a paper which is both interesting and illuminating, and gives pertinent conclusions with respect to our wild waterfowl problems. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### THE WILD DUCK FACTORY NEEDS REPAIRS

Ever since a serious shortage of wild ducks has made itself felt on the North American Continent, numerous efforts have been made to halt the downward trend in our duck supply. Most such efforts have taken the form of restrictions on the shooting of ducks.

Sound administration of our waterfowl resources requires that the annual losses from all causes, including shooting, be kept well within the annual production so that we may have a continuing increase in the number of ducks which go north to breed each spring.

We must recognize, however, that all the regulations in the world cannot restore duck breeding grounds. It is on the restoration of the former nesting areas which have been ruined that the future duck supply depends.

An overwhelming percentage of the annual continental duck crop has probably always been produced in the vast prairie region, which includes the Dakotas and parts of the bordering States, a portion of Manitoba, most of Saskatchewan, and Alberta, and extends in the northwest territories to Great Slave Lake. This area of about 630,000 square miles is the main source of supply of ducks for practically all parts of the United States. Four hundred and fifty thousand square miles, or slightly over 70 percent of this continental duck factory, lies in Canada.

That portion of the former breeding range of ducks which lies in the United States has virtually lost its importance as a duck-producing area due chiefly to agricultural development and drought. Under the program recommended by the President's Committee on Wildlife Restoration, the Biological Survey has acquired a number of areas, principally in the Dakotas, and is restoring these areas as duck-breeding grounds. Completion of these projects and possibly others in the same locality and their proper management will materially increase the annual output of ducks. But it seems doubtful whether maximum production of all the breeding grounds in the United States will ever again supply a sizable percentage of the continental duck crop.

While the program for the restoration of duck-breeding grounds in the Dakotas, and elsewhere in the United States, should be prosecuted as rapidly as time and funds will permit, it is the breeding grounds of Canada that hold the key to the future of ducks.

What is the situation on the Canadian breeding grounds today? Why are parts of this area producing only a small fraction of the number of ducks they yielded only a generation ago?

During the work on the 1935 international wild-duck census members of the staff of More Game Birds had an excellent opportunity to view the duck situation in Alberta, Saskatchewan, Manitoba, and the Northwest Territories from the Canadian border to Great Slave Lake. In the course of our work we traveled approximately 30,000 miles by automobile and over 14,000 miles by airplane. The airplane offers a bird's-eye view of such vast dimensions that hundreds of square miles can be minutely examined in hours as against weeks and months of travel by any other means.

The northern half of this Canadian area, which lies roughly north of the fifty-third parallel and contains about 240,000 square miles, is still largely untouched by civilization. For the most part the country is wooded and has an abundance of water. This northern half of the Canadian waterfowl breeding grounds had a population of approximately thirty-one and one-half million ducks during August 1935, or slightly more than three-fourths of the total duck population of the Canadian prairie breeding region. On some of the large, compact breeding grounds in this



part of the territory, ducks were so numerous and so concentrated as to raise the question, "Where do they find a sufficient supply of food?"

Prior to the influx of settlers, the southern portion of the Canadian prairie area was literally studded with lakes, ponds, and marshes as well as countless sloughs and potholes which, together, constituted an ideal duck factory. During each breeding season it produced an apparently inexhaustible supply of many species of prairie nesting ducks.

Settlement and utilization of the land (principally for agriculture) have brought about changes in this part of the producing plant which have been truly disastrous to the ducks. In the wake of the plow approximately 80 percent of all duck-breeding places have dried up. Of those that remain, many have become so unattractive to the ducks that they are no longer used by them.

During the summer of 1935 the southern half of the Canadian prairie area, containing approximately 210,000 square miles, had a population of approximately five and one-half million ducks, less than one-seventh of the total population of the whole area. Those figures—thirty-one and one-half million ducks in 240,000 square miles, and five and one-half million ducks in 210,000 square miles—prove that our western nesting ducks, the bulk of the present international supply, are literally being driven to the wall by the inroads of civilization on their ancestral breeding grounds. Year after year they have been forced farther and farther north up against two impassable ecological barriers—the Rocky Mountains on the west and that great rock formation, the Canadian shield, on the east. These natural barriers converge toward Great Slave Lake which forms the apex of the last remaining unspoiled natural breeding ground of the entire prairie nesting region. Here the prairie nesting ducks are making their last stand.

With those figures before us, we do not have to be expert mathematicians to understand, first, that we have all too few eggs, and, second, that entirely too many of them are in the same comparatively small basket. If some natural calamity, such as an epidemic disease, should occur on this northern portion of the territory during the breeding season, the curtain would be rung down on ducks for many years, if not forever.

Viewing the Canadian prairie duck region as a whole, and using business terms, we may truthfully say that the producing plant is still there but half of it is virtually in ruins. Until the unspoiled northern half is made safe against the fate which befell the southern half, and the damage at least partially repaired in the southern portion, we simply cannot expect any great increase in our continental duck supply, irrespective of what takes place in the less important duck-producing areas.

All too long we have collectively played the role of Micawber, hoping that something would turn up which would again restore our ducks to their former abundance. It is high time that we realized that unless and until some competent agency does a businesslike job of restoration on Canadian duck-breeding grounds, no substantial and permanent increase in the continental duck supply can be expected. Man has progressively ruined the most productive portion of the natural duck-breeding territory on the continent until Nature is powerless to restore it unaided. A cycle of abundant rainfall would improve duck conditions temporarily by filling dried-up potholes and ponds but, at best, the results would be meager and temporary.

Those sincerely interested in waterfowl restoration are faced with two questions: First, what can be done? And, second, Who shall do it? On the answer to these two questions depends not only the future of wildfowling as a sport in the United States but the very existence of some of our most valuable species of wild ducks.

I have been asked to give our answer to these two questions, based on our rather comprehensive study of the subject during the past 3 years:

First. What can be done?

Obviously, the preservation of the more important duck-breeding grounds in the northern area is of vital importance. All the duck-shooting restrictions the United States could ever make will not halt the destruction of wild-duck habitats by the advance of civilization. We might stop all shooting, and still witness the disappearance of our ducks. These northern areas should be protected against the fate which befell the former preferred duck-breeding grounds farther south. Competent management of these areas would insure a continuance of their present high rate of productivity. Practically all of the land in the northern area is Government-owned, and Canadian officials concerned are willing to cooperate by setting such areas aside as permanent sanctuaries, providing the necessary cooperation on the balance of the program is forthcoming from the United States.

In the southern half of the Canadian prairie breeding territory, lying generally south of the fifty-third parallel, there are many areas which formerly produced excellent crops of ducks, but which are now devoted to other purposes. Many of these areas are not particularly valuable for their present use, and these should be acquired and restored as duck-breeding grounds. An ample and permanent supply of water is of vital importance, and this would necessitate the building of dams, dikes, ditches, storage reservoirs, and other water-control work which will insure the usefulness of the restored areas even during periods of severe drought. Each one of these producing areas should be placed under competent management. Unless such areas are properly supervised, protected, and developed by trained men, they cannot be expected to produce satisfactory duck crops.

In addition to water, wild ducks need an abundant food supply and nesting cover on their breeding grounds. Under proper management these necessities could be built up and maintained.

Nesting wild ducks are particularly vulnerable to natural enemies. Predators such as crows, snapping turtles, and coyotes destroy tremendous numbers of the eggs and young of wild ducks which otherwise would reach maturity. Adequate protection against natural enemies on the restored breeding grounds is an important part of the work involved.

In restoring former duck breeding grounds and placing them under efficient management other losses which now seriously reduce the annual crop will be eliminated or at least substantially reduced. I refer to such things as the trampling of eggs by grazing cattle and horses, the destruction of nests and breeding birds by fire, and the loss of a tremendous number of birds by disease on contaminated areas.

If the work which I have just briefly outlined is done promptly and well the southern portion of the Canadian prairie region will again become the most important duck-producing area on the continent. Its present annual production of about 5,000,000 ducks can be tripled, quadrupled—in fact, increased almost without limit—if funds are made available for the work.

A preliminary study indicates that with a fund of \$500,000 annually much of the necessary work could be accomplished within a period of 5 years.

This brings us to the second question: Who can do this work?

Certainly the United States Government cannot do it for the good and sufficient reason that Federal funds are not available for expenditure in Canada or any other foreign country for such a purpose. The Canadian Government has fulfilled its obligations under the migratory-bird treaty in very fine shape. They could, of course, and probably would be willing to do the work, but the necessary money is not available and there is no earthly reason why Canada should provide it.

That, it seems to me, puts the problem squarely up to those who reap the benefits from the wild-duck crop produced in Canada—sportsmen in the United States and those industries which profit from the sport of duck shooting in this country. To them the restoration of Canadian duck-breeding grounds is of truly vital importance. On the proper development and management of this area depends the continuance and improvement of the sport of wildfowling, which in turn directly affects the numerous business enterprises patronized by duck shooters which furnish them with equipment, transportation, and other needs.

There is every evidence that a duck-restoration project such as I have briefly outlined would receive the whole-hearted cooperation of the people of Canada, including high Government officials.

It is squarely up to the duck shooters of the United States and the industries profiting from the continuance and expansion of the sport of wildfowling to take the initiative and to decide promptly whether or not this necessary job should be thoroughly done now before it is too late.

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

#### WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. COPELAND obtained the floor.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from New York a question.

Mr. COPELAND. I yield.

Mr. SHIPSTEAD. Taking the committee's report on the pending bill, I find on pages 5, 6, 7, and 8 the proposed allocations under the bill for river and harbor projects. I note that above the column of figures are the words "Proposed tentative allocation." I should like to ask the Senator just what that means.

Mr. COPELAND. Mr. President, we had a long discussion in the committee with the Army engineers as to what, in view of the fact that no money had been appropriated for flood control, should be done for rivers and harbors. By request of the committee, the Army engineers furnished the list which is printed on the pages of the committee's report indicated by the Senator from Minnesota. I think it is unfortunate that the particular language, to which reference



has been made by the Senator, appears at the head of the column of figures showing the allocation to each project, but I may assure him that this is the list of projects which the Army engineers stated could be and would be carried out during the present year.

Mr. SHIPSTEAD. If this bill becomes a law, the proposed allocations will be the sums allocated by the Congress; they will not be allocated after the law is passed at the will of anyone else?

Mr. COPELAND. The Senator is correct. All these projects were proposed, submitted to the appropriate committees, referred to the Army engineers, approved, brought back to the Congress, and acted upon by the Congress. These are all approved projects, and if this bill becomes a law these projects will be carried out as included in the list.

Mr. SHIPSTEAD. The Congress makes the allocations by passing a bill?

Mr. COPELAND. That is correct.

Mr. SHIPSTEAD. I thank the Senator.

Mr. COPELAND. Mr. President, yesterday the Senator from Washington [Mr. BONE] made a very interesting statement concerning a publication authorized by the War Department, to which I referred as one of ancient vintage, and stated that I did not feel that I could express what I really thought I knew about it. This morning I took up with the Secretary of War the question of the pamphlet on citizenship which was referred to yesterday by the Senator from Washington and from which he read excerpts, some of which, I am sure, were quite startling to us.

The Secretary of War called attention to the fact that the Senator from Washington did not go quite far enough in his reading and did not read the final conclusion of the Department regarding the matters stated in the pamphlet on citizenship. But we do not need to consider that further, I am sure, because I have this memorandum from the War Department regarding the pamphlet from which the Senator from Washington quoted. I read:

A citizenship manual for use by instructors in the C. M. T. camps was prepared under direction of the War Department and issued for trial use in June 1927. The actual preparation of the manual was done by Chaplain C. F. Fuchter, in collaboration with the American Citizenship Foundation.

In 1928 this manual was revised by Chaplain Fuchter under the supervision of the War Department, and was distributed for use in the 1929 camps.

This is the article on citizenship referred to yesterday by the Senator from Washington:

Following its distribution, some commendatory letters were received from citizens, but there were a very large number of letters criticizing the pamphlet, which continued during the next year or two. Most of the criticism was directed toward the paragraph on democracy, which failed to be read in conjunction with the succeeding definition of a republic.

It was that matter relating to democracy upon which the Senator from Washington enlarged last night. Here is the meat of the War Department letter:

The War Department, realizing that an instructional pamphlet of such a controversial nature should not be continued in use, on September 2, 1932, directed that the manual be withdrawn from circulation and its further use as a military textbook should be discontinued. A copy of the General Staff memorandum directing such action is attached.

I ask that the General Staff memorandum may be included in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Memorandum for The Adjutant General.  
Subject: Training Manual 2000-25, November 30, 1928.

SEPTEMBER 2, 1932.

The Secretary of War directs:

I. That corps area and department commanders be informed by letter as follows:

Training Manual 2000-25, November 30, 1928, is withdrawn from circulation and its further use as a military textbook will be discontinued.

II. That TR 2000-25 will not be listed in TR 1-10 when the latter is next revised.

EDGAR T. COLLINS,  
Major General,  
Assistant Chief of Staff.

By ERLE M. WILSON,  
Lieutenant Colonel, General Staff,  
Executive.

Mr. COPELAND. Therefore the most effective point used in the argument by the Senator from Washington is now disposed of by the fact that the document to which he referred is not official and has not been in use for 4 years in the Army or the camps of the sort under consideration.

As for the amendment itself, I sincerely hope it will not be adopted.

Mr. FRAZIER obtained the floor.

Mr. BONE. Mr. President, will the Senator from North Dakota yield while I ask the Senator from New York a question?

The VICE PRESIDENT. Does the Senator from North Dakota yield for that purpose?

Mr. FRAZIER. I do.

Mr. BONE. I have in my hand the letter written by the General Staff of the Army, to which the Senator from New York referred a moment ago, which indicates the pamphlet to which I referred yesterday was withdrawn from the use of the camps and which indicates that the manual was prepared by Chaplain Fuchter "under the supervision of the War Department" and distributed for use in the 1929 camps. I should like to ask the Senator what is the American Citizenship Foundation, if he knows? What is that outfit?

Mr. COPELAND. I do not know.

Mr. BONE. It must be a concern which has very little use for democracy or for public ownership. I am wondering if the Senator from New York or the War Department can apprise us why they call on some outfit like that for the preparation of such a pamphlet, in view of the opinions which it entertains?

Mr. COPELAND. Does it say the chaplain referred to them?

Mr. BONE. It says the chaplain prepared the manual in collaboration with the American Citizenship Foundation. I am curious to know what the foundation is.

Mr. COPELAND. I am not a member. I do not know who the members are. I am not in sympathy with what they suggested. In general I approve much of what the Senator from Washington said yesterday.

The only point in discussion this morning is to make clear that this pamphlet, offensive to the Senator from Washington, was withdrawn from official use in 1932, and is not now in use in any camp or organization under control of the United States Army.

Mr. BONE. I want the Senator from New York to understand it is not because it was offensive to me that I criticized it, but in my judgment it was an assault upon the very things for which men have bled and died in this country. I cannot imagine the War Department assuming responsibility for putting out a pamphlet of that kind. What right has the War Department to attack public ownership under the guise of teaching young men how to use rifles? It is that sort of thing that makes me suspicious of military training which is made compulsory in schools.

I thank the Senator from North Dakota for yielding to me.

Mr. FRAZIER. Mr. President, in view of what the Senator from New York [Mr. COPELAND] has just said about the pamphlet referred to by the Senator from Washington [Mr. BONE] last night in regard to citizenship, the pamphlet having been issued by the War Department, may I say that a few moments ago I was handed a copy of a letter written by a boy in one of the universities of the South which has compulsory military training? He said:

Exactly 28 minutes ago I walked from a classroom (military science) in which the instructor denounced all workers for peace as joining up with the Communists in an effort to reduce arms—

And so forth. Then the writer of the letter refers to the instructor by saying "that he must either be a fool or a monumental liar." Further on in his letter he expresses surprise at the churches taking a stand for peace and against military preparedness. In closing he said:

This theory of international brotherly love is fine in theory, but I as sure as — do not love everybody I meet.

That was supposed to have been stated in the class on military tactics by the major sent from the War Department to that school to teach military tactics. This teaching is up to



date at the present time so far as military science is concerned.

Mr. President, yesterday, in the course of the debate, there was some discussion about the number of colleges which have military training. This morning I got in touch with The Adjutant General's office and asked for some information. General Conley, Adjutant General of the War Department, called me back on the telephone in a few moments and gave me the following information:

He said there is a grand total of 51 land-grant colleges in the United States, all of which offer a course in military tactics; that in 49 of those land-grant colleges military tactics is a required subject.

In other words, there are only two land-grant colleges in the United States in which military science is not a required subject. Those two land-grant colleges are located in Wisconsin and Minnesota. Unfortunately, I have not a list of the land-grant colleges in the various States, but I understand there is at least one in each State.

Mr. BENSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. I yield.

Mr. BENSON. Is it not a fact that until the time Minnesota and Wisconsin abolished compulsory military drill in their land-grant colleges and made it optional, for all practical purposes the people in those States believed that military drill was compulsory in all the land-grant colleges, and that the Federal Government was requiring that it be made compulsory?

Mr. FRAZIER. Yes; I think that was the general understanding. I myself thought so until I got into a discussion a few years ago on the floor of the Senate, and during the course of the debate a letter was read from the then Attorney General and also from the then Secretary of War, from which I shall quote a little later, in which they explained that the compulsory feature was not on the part of the United States Government or the War Department.

I desire to continue with the information which I received from The Adjutant General of the United States. General Conley also reports that there are 139 junior military training units, of which 43 are in private institutions and 96 are in public high schools. In some cities there are several such junior units. In other cities, such as Chicago, where there are 20 or more schools which teach military tactics, all are included in one unit. There are 38 units known as the 55-C class, and the schools of the city of Washington come in that class, where the War Department does not furnish officers, but does furnish a small amount of material, such as guns and some ammunition for military training. The requirement of the War Department is that a school must have at least 100 students taking military science or tactics before an officer and material for military tactics may be furnished by the War Department. General Conley also states that of the 96 high-school units, 55 schools have an elective course in military tactics, and in 41 high schools the course is required.

In all fairness to The Adjutant General I will say that he objected to the term "compulsory military training." He said that it was a required subject, just the same as English might be, or mathematics, or some other subject of that kind; and, of course, that is perfectly true. But to all intents and purposes military training is required; and I was greatly surprised to know that 41 high schools of this Nation require students to take military training in order to graduate from them.

In Bangor, Maine, a boy 14 years old objected to military training because his father was a minister, and I suppose the boy had been brought up to believe that military training and preparation for war were not right; and he objected to it, and did not want to take military training. The school authorities threatened to expel him from school. The matter was taken up with his father; and finally, as I understand, the boy was expelled. His father went to the school board and said, "The State law of Maine requires that I send this boy to a public school. Where am I going to send

him?" It was a case of either setting aside his religious scruples and taking military training or violating the State law and not going to school at all.

The purpose of the amendment, it seems to me, is to assure that the money of the Government of the United States shall be spent as logically as possible, and not be wasted. The question was raised yesterday by a Senator as to the cost of military training per individual in schools and colleges. I find that in the CONGRESSIONAL RECORD of February 14, when this measure was under discussion in the House of Representatives, Representative MARCANTONIO, of New York, put in a table, which is found on page 2092 of the RECORD of February 14, from which I wish to quote:

The greater efficiency of elective R. O. T. C. units, as against compulsory units, both with respect to number of potential Reserve officers produced and cost of their production, is shown by the following tables:

1. Compulsory R. O. T. C. units.

The table does not give all of them, but it gives a number of them. I wish to read just a few.

At the University of Maine, 517 students are enrolled in the basic course—that means, as I understand, the first 2 years—and 39 in the advanced course. That is, 39 out of the 517 decided to go through with the R. O. T. C. I presume they liked military drill and wanted to go through with it, and took the rest of the course.

The personnel pay at the University of Maine was \$21,958.80. That means that that amount of money was divided up among those boys to pay for their uniforms and belts and one thing and another, and to encourage them to take military training.

The maintenance cost at the University of Maine was \$15,691.24.

The total expense of the Government at that one school was \$37,650.04.

The average cost per potential Reserve officer—and of course that means each of the 39 who went through with the last 2 years of R. O. T. C. work—was \$965 per capita.

Those are the figures for the University of Maine.

Next is Rutgers University. The average cost per potential Reserve officer there is \$636.

At Penn State College, 1,694 students were enrolled in what are termed the basic R. O. T. C. classes. Out of that number, 107 took the advanced course. The cost in that school for those who finished the R. O. T. C. course was \$1,000 per capita.

At the Oklahoma Agricultural and Mechanical College there were 74 students who completed the course, and the average cost for those who completed the course was \$1,023 per student.

The total expense to the Government at Penn State College was \$107,028.86.

At the Oklahoma Agricultural and Mechanical College the total cost to the Government was only \$75,722.99.

Now I wish to give the statistics of some of the universities where military training is elective and not compulsory, to show the difference in the cost.

At the University of Pennsylvania, where the course is elective, the number who completed the course was 152, and the average cost per capita was \$338, as compared with \$1,000 at Penn State College.

At the University of Michigan, where the course is elective, the average cost per capita was \$292.

At the University of Wisconsin, which is a land-grant college, where for some years the course has been elective, there were 117 who finished the course, and the average cost was \$408.

Where the course was compulsory, and the Government had to pay the expenses during the first 2 years of those who did not wish to take this course, or many of them who did not wish to take it but were compelled to do so, and only a few went through the last 2 years, the expense, as stated here, ranged from a little over \$1,000 per capita down to a little over \$600 per capita. Where the course was not compulsory, the cost ranged from \$408 to a little over \$300.



So, Mr. President, if this money that we are appropriating is to be used for the purpose of educating these boys as Reserve officers, it should be remembered that only those who take the 4-year course, the last 2 years of which are elective, are the ones who go on the Reserve officers' list; and the cost, as shown by this table, is much greater where the military course is compulsory than where it is elective. Of course that is quite naturally true.

Mr. President, yesterday I referred to some editorials written by college boys and entered in a prize contest sponsored by this young men's organization against compulsory military training. I read yesterday from one of them, and today I desire to quote two or three passages that some of these boys wrote. They are boys who are taking military training. I wish to give the Members of the Senate a chance to understand just what their opinion is.

Here is an editorial written by Roger E. Chase, of Columbia University, New York. I shall read only a paragraph or two:

It is not at all alarming to the superpatriots that "citizenship", as promoted in the R. O. T. C., has meant the negation of science and democracy, that the training corps have been as culpable as any other group in the revival of American college vigilantism.

What that "citizenship" implies was once illustrated in an official R. O. T. C. manual (withdrawn from circulation, thanks to student protests, 10 years ago).

This is right along the line of the remarks of the Senator from Washington [Mr. BONE] on yesterday, and I should like to have the Senator from New York, in charge of the bill, listen to this paragraph from an editorial written by one of the students for which he was given first prize by the organization which promoted the contest. In speaking about citizenship he said:

What that citizenship implies was once illustrated in an official R. O. T. C. manual (withdrawn from circulation, thanks to student protests, 10 years ago).

Of course, the Senator from New York may say this is ancient history, but it was in the manual when I went to the university and took this training.

One passage read:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

Talk about good citizenship and the R. O. T. C.! Let me read this again. This is from the pamphlet:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

I read another quotation:

To finish an opponent who hangs on or attempts to pull you to the ground, always try to break his hold by driving the knee or foot to his crotch and gouging his eyes with your thumbs.

Talk about citizenship! The Senator from New York says he is on the side of the angels because he is for good citizenship, promoted by an organization which only 10 years ago instructed the boys as follows:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

I wish to read from two or three others of the editorials written by these students. Here is one written by a student who was awarded second prize, Elmer J. Lewis, Riverside Junior College, Riverside, Calif.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. COPELAND. I have known many doctors who, too, have written essays. [Laughter.]

Mr. FRAZIER. I wish to quote from this young man who wrote from Riverside, Calif.:

The argument that military drill is superior to physical education for furthering physical development has been so completely repudiated by authorities in physical-education work that we seldom hear it mentioned today. Lt. Col. Herman J. Kochler, founder of the West Point system of physical training, has this to say:

"The use of the musket as a means of physical development of anyone, be he man or boy, is worse than worthless. It is, in my opinion, positively injurious. Permit me to suggest that if a change is contemplated you should endeavor to have a thorough course of gymnastic training substituted."

When I attended the university and took military training we had shiny bayonets on the ends of our old muskets, and we were taught to "fix bayonets", to "right parry thrust" and "left parry thrust", to execute all the commands in the use of the bayonet, how to stab it into an opponent, and so on.

When I was Governor of North Dakota, during the World War, I went to the military training camp at St. Paul, having been invited to visit the camp, and a captain from my own State furnished me a special guide for the day. They were putting on an exhibition to show us how the men were being trained to be officers in the World War, and they staged a bayonet charge on dummies, gunny sacks stuffed with hay, or something of the sort, hanging on ropes. The soldiers charged and jabbed their bayonets through the sacks, and pulled the trigger and shot a charge. I said to the officer who was with me, "Do you mean to say that the boys are instructed to shoot when they jab their bayonets into their enemies?" He replied, "Oh, yes; we might just as well finish the job and not give them any chance."

That is what they taught in the way of military training when I went to the university, a number of years ago, but because there was so much criticism of the bayonet practice, the bayonets have been taken off the old muskets furnished to the students in high schools and universities during the last few years.

I wish to read a few more paragraphs, which are very interesting, coming from young men who know what they are talking about. Here is an editorial which won third prize for Gilbert Harrison, University of California, Los Angeles, Calif. He says:

Education for a democracy is education of men to think for themselves.

I believe every thinking democratic Senator will agree with that statement.

It is not education by command. It is not education by dictation. It is not education by propaganda. It is not education which preaches any brand of doctrine, nor is it education for the popularization of any school of opinion. Education for a democracy teaches men to consider opinions wisely.

Compulsory military training is not concerned with the wise consideration of the problems of war and peace. It is not concerned with inquiring into the causes of war or into the ways for realizing peace. It is not interested in investigation of the value of war or that of peace. It is concerned with the technique of killing. It has for its business the selling of that technique to its students. Its aim is the development of military-minded youth.

There is no denial of that statement. I do not think even the Senator from New York will deny it.

Those schools which conscript students into the military course violate the soundest principle of democratic education.

That is worth reading again:

Those schools which conscript students into the military course violate the soundest principle of democratic education.

"Conscript students into military training." That is what it means. It is a violation of the Constitution of the United States itself.

Now I shall read from another editorial, written by a boy who was not one of the three highest on the list, but who got honorable mention. His name is Mark Clutter, and he wrote as a student at the University of Wichita, Wichita, Kans. He makes some very good statements, and I wish to read a few of them. He says:

I. Is compulsory military training in our schools practical as an auxiliary to the national defense?

Then he answers:

Granting for argument's sake that in the present madhouse of nations a strong Army and Navy are necessary to our welfare, it does not follow that peacetime conscription among college youths can have anything but an evil effect. The R. O. T. C. has as its primary purpose the training of students toward becoming Reserve officers in the Army. The requirements of a good officer include discipline, an interest in the work, and a broad knowledge of things military. It is obvious that students bent only on gaining the required credit in a distasteful course will never acquire these traits.

II. Can the United States afford to betray its ideals of individual freedom for the doubtful gain of a few poorly trained college soldiers?



That is his question, and I wish to read a part of his answer:

It is believed in this Republic and in all liberal countries that religious freedom is an inalienable right. To the American mind, religious intolerance backed by the sanctions of the State seem as outmoded as cannibalism. Yet in many of our tax-supported schools this ugly monster from the past has dared to show itself again. Quakers and others are required to violate their ideals if they are to attend schools which may be best fitted to their needs in other respects.

He also says:

The conscientious objector may be wrong in his views. That remains for the future to decide. But, right or wrong, he has a right to his views.

I believe the Senator from New York, who has charge of the bill, will agree with that:

But, right or wrong, he has a right to his views.

That is the democratic teaching of Washington and Jefferson and all the others of our forefathers to whom we are supposed to look.

Mr. COPELAND. Mr. President, I am in full accord with the statement made by the Senator.

Mr. FRAZIER. I am glad to hear the Senator make that statement. This young man goes on:

He is a member of an intellectual minority such as in times past have brought forth most of the world's progress. He lives in a country founded by dissenting minorities, and founded on the principle that all such minorities should have the freedom and protection granted to the majority. Unless we wish to depart altogether from our traditional ideals, we must grant the trouble-making pacifist his rights. Those superpatriots who demand a return to the principles of Washington and Jefferson and at the same time wish to force compulsory military training upon our schools stand self-condemned of hypocrisy.

I believe that needs another reading. The Senator from Tennessee [Mr. McKELLAR] has just come into the Chamber, and I shall be very glad to have him hear it. I wish to say to the Senator from Tennessee that The Adjutant General of the Army, General Conley, informed me this morning that out of a total of 51 land-grant colleges, 49 of them—all but 2—have a required course in military training. So if the State of Tennessee, from which my friend hails and so ably represents, has a land-grant college, which I assume it has, then there is compulsory military training in that college. The General did not say "compulsory." He used the expression "required military training."

Mr. McKELLAR. In the land-grant college?

Mr. FRAZIER. In the land-grant college.

Mr. McKELLAR. What did the General say about the R. O. T. C.?

Mr. FRAZIER. I did not ask him.

Mr. McKELLAR. Most of the students who are trained in the R. O. T. C. are in the public schools, in smaller institutions. I do not believe in compulsory military training. There is no Federal law which provides for it. If it is given, it is given under a local rule, and not by reason of a Federal law.

Mr. FRAZIER. I understand from The Adjutant General that there are 41 high schools in which military training is required.

Mr. McKELLAR. I am surprised to know that. It ought not to exist. There is no Federal law providing for compulsory military training.

Mr. FRAZIER. I understand that, of course. I desire to reread the sentence I just read from the editorial written by a youth in a college in Wichita, Kans., the State from which the able Senator [Mr. CAPPER] sitting to my left comes. This youth says:

Those superpatriots who demand a return to the principles of Washington and Jefferson and at the same time wish to force compulsory military training upon our schools stand self-condemned of hypocrisy.

I believe the young man is right.

Mr. RUSSELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. FRAZIER. I yield.

Mr. RUSSELL. I desire to ask the Senator from North Dakota if the high schools he refers to as having compulsory military training are high schools which are military schools in their nature. Are they in the nature of boarding schools of various kinds?

Mr. FRAZIER. No. According to The Adjutant General, 41 high schools require military training in their courses.

Mr. President, I desire to read another paragraph or two from this young man's statement. I think he knows what he is talking about. The State of Kansas is a progressive State, and the people in that State do a great deal of thinking for themselves. He asks another question:

3. Would not such a betrayal set a dangerous precedent which might lead to further destruction of liberty?

He answers it:

The existence of compulsory military training in our schools has the bad effect of conditioning the public mind to the idea of peacetime conscription. A small but clamorous group favors extension of the system. If they should have their way, it is not inconceivable that more and more compulsory military training would ultimately lead to universal conscription after the European pattern.

Of course, there is a certain class of people that advocates compulsory military training of all citizens within certain ages in the country.

The young man goes on:

Militarization of a people is an unqualified evil. Political tyranny and intellectual sterility is the inevitable result. A nation schooled in unquestioning obedience loses its courage for criticizing the existing government and for demanding reform. "Yes, sir," becomes the motto of the majority instead of "I think" and "I will." Any wrong, when dressed in the uniform of proper authority, can exist unhampered.

I read that last sentence again:

Any wrong, when dressed in the uniform of proper authority, can exist unhampered.

Has the soldier any right to complain about conditions, or about an order which he receives, or about anything else he is required to do? Oh, no! He must simply obey orders. This young man makes a few more observations, which I read:

Let us be reasonable about this matter of compulsory military training. We have little to gain by continuing the system, and much to lose if, as it seems, it has a tendency to stifle intellectual and personal freedom.

Compulsory R. O. T. C. is in itself relatively unimportant, but, as a tendency in the wrong direction, it is tremendously important. Whether college boys of today have to drill 2 hours a week is a small matter, but whether the youth of tomorrow will be free and intellectually courageous, or merely unquestioning cogs in a war machine ruled by whatever dictator may be in power, is a very serious matter.

I think the young man is very logical in that argument again. He further states:

The move against compulsory military training is not fostered by organized pacifism but by organized common sense \* \* \*.

Here is a wrong that needs to be righted. Here is an injustice against the youth of America and a travesty on the purpose of the American educational system.

Compulsory military training is un-American.

I think he is correct in that statement also. I can imagine nothing more un-American than to tell an American youth who wants to go to high school or to a college or to a university that in order to graduate he must take at least 2 years of military training. That is what the proposed amendment seeks to prevent.

Mr. President, all the amendment does is to provide that the money available under this particular appropriation shall not be used in colleges or schools not strictly military in which the course in military science is compulsory. In other words, in order to get a share of the money appropriated such schools will be required to make their course in military tactics elective and not compulsory. The land-grant colleges will continue to have military training, of course, because that is required under the Morrill law; but it is not required to be taught every student. At least that is what a former Attorney General of the United States has said, and also a former Secretary of War.



I have that statement among my papers. I intended to read it, but I neglected to do so. I am sure I can find it if anyone is interested in it. I remember putting those articles in the RECORD some years ago.

Mr. NORRIS. Mr. President, I should like to have the Senator, if he can do so without any inconvenience, read the letter of the former Attorney General.

Mr. FRAZIER. I do not have the full letter, but I have a quotation from it here some place. I will look that up. I do not have the full letter.

Mr. NORRIS. Can the Senator state its substance?

Mr. FRAZIER. It was to the effect that the Morrill Law did not provide that military training must be taught to every student, but that, of course, such training must be offered. The Adjutant General said in his communication, received this morning, that the position of the Department was that, of course, military training in these colleges must be offered, but that it was the local boards of education, or the bodies in control of such schools, which made it compulsory.

Mr. NORRIS. As I understand—and that is why I was anxious to have the former Attorney General's letter read—the Federal law provides that in order to share in this money the land-grant college must offer a course in military training.

Mr. FRAZIER. That is correct.

Mr. NORRIS. But such training does not have to be compulsory.

Mr. FRAZIER. That is correct.

Mr. NORRIS. Under the State law the colleges can do as they please about military training. No one attending the school can be required to take a military training course. It is entirely voluntary with the student whether he takes it or not. Is that correct?

Mr. FRAZIER. That is correct so far as the Government is concerned.

Mr. NORRIS. That is what I mean.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. LA FOLLETTE. I believe it was understood prior to the action of Wisconsin and Minnesota making military instruction elective that land-grant colleges had to require military training in order to obtain funds under the Morrill Act. If my memory serves me correctly, when the Wisconsin act was pending in the legislature those who opposed it predicted that its enactment would result in the States losing the support coming from the Government under the Morrill Act. As a matter of fact, when the State finally took action it did not result in the aid being withdrawn.

Even now there are many people who think the Morrill Act does require that military training shall be compulsory.

Mr. FRAZIER. The Senator from Wisconsin is correct in his statement.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. NORRIS. The purpose of my question was really to make plain the actual condition. I thought I understood it before, but as to the general idea which I think prevails in many of the States that the military-training course must be compulsory, I wanted the knowledge diffused so that those holding that opinion would understand that that is not necessary. Whatever may be the fate of this amendment, of which I am heartily in favor, if this discussion brings to the States and the legislatures of the States the information that a compulsory course in military training is not necessary in order to get this money, it will have accomplished great good, regardless of whether we put the amendment in the law or not.

Mr. FRAZIER. Mr. President, as I remember, it was about 10 years ago when the opinion was handed down by the Attorney General, and also by the Secretary of War at that time, stating that the Government did not require military training to be compulsory; but there have been, I am reliably informed, in many instances threats made, or at least insinuations made—I think insinuations would be the better

term—by Army officers unless the course in military training was compulsory that their favors would be withdrawn at least to a large extent.

In North Dakota the State board of administration, consisting of five members, who have charge of all the State educational institutions, as well as some other institutions of a charitable and penal character, brought this question to a vote a year or two ago and lacked but one vote of making the military-training course in the university and in the agricultural college elective instead of compulsory. The vote was 3 to 2 to sustain the compulsory feature of military training. I understand that the same thing has occurred in some of the other States. I was informed that in the State of Oregon the board lacked but one vote of changing the compulsory feature of military training in their land-grant colleges.

I have just received a list of the land-grant colleges in the United States. I did not previously have that list. As I have stated, there are 49 land-grant colleges that require military training out of a total of 51. I was looking for Tennessee. The Senator from Tennessee [Mr. McKellar] yesterday was quite sure there was no compulsory military training in Tennessee educational institutions, but I find the University of Tennessee at Knoxville, Tenn., which is the land-grant college of that State, requires military training. The Senator from Tennessee is not at the moment on the floor, but I will call it to his attention when he returns to the Chamber.

The only two land-grant colleges in this list which do not have the compulsory feature in connection with military training out of the 51 are those in Wisconsin and Minnesota.

I have shown that the expense of the Government in training college students to be Reserve officers is much less where the course is an elective course than where it is compulsory. That is perfectly natural, because, under a compulsory course, the great majority of the young men taking it fall out of the course at the end of the 2 years; they do not complete it; they do not go through with the last 2 years, which fits them for commissions as Reserve officers. It costs about three times more to prepare college students for Reserve officers in the institutions where military training is compulsory than it does in those where military training is not compulsory.

Then, as to the high schools, I cannot understand for the life of me how any Senator can vote to appropriate money for military purposes for expenditure in any high school where the high school provides for a compulsory military training course.

The Senator from New York infers that anybody who is against compulsory military training does not belong to the angel class. I cannot quite agree with the Senator from New York in some things, and this is one of them. He says he prefers to belong to the angel class. I am glad he has that very good opinion of himself. I know other Senators have a very high opinion of the Senator from New York, but some of us object to being put in the other class just because we are against compulsory military training in 41 high schools and 49 colleges of the Nation, which are land-grant colleges, supported by the Government of the United States.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. COPELAND. I do not think that the RECORD will show that I said I wanted to be an angel or expected to be an angel.

Mr. FRAZIER. But the Senator wanted to be on the side of the angels.

Mr. COPELAND. I said I wanted to be on the side of the angels.

Mr. NORRIS. We will all be angels pretty soon. [Laughter.]

Mr. FRAZIER. At some time; yes.

Mr. President, I know it is useless to speak longer on this subject, because there are only a few Senators on the floor. The Senator from Missouri [Mr. Clark] this morning said to me that if we could keep Senators on the floor of the Senate to hear the discussion there would be no question



about the amendment being adopted; but, with only a handful of Senators on the floor, other Senators come in and vote with the committee, and that is perfectly natural, of course.

I am very much interested in this matter; I feel very deeply about it. I have read from the expressions of boys who have written from the colleges themselves. They know what they are writing about. There has been vote after vote and poll after poll taken in the universities and high schools, and a majority have, so far as I know, in every instance voted against compulsory military training. Polls have also been taken by churches throughout the various States, and the majority has been against compulsory military training.

Mr. SHIPSTEAD. Mr. President, will the Senator yield for a quorum call?

Mr. FRAZIER. I have concluded.

#### FUNDS FOR UNEMPLOYMENT RELIEF—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

Mr. McNARY. Mr. President, there should be a quorum on this occasion, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barbour	Dickinson	Loneragan	Russell
Barkley	Donahey	Long	Schwellenbach
Benson	Duffy	McAdoo	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkeley	Glass	Minton	Truman
Bulow	Guffey	Moore	Vandenberg
Burke	Hale	Murphy	Van Nuys
Byrd	Harrison	Murray	Wagner
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norbeck	Wheeler
Caraway	Holt	Norris	White
Carey	Johnson	Overton	

Mr. LEWIS. I reannounce the absences of certain Senators and the reason therefor as given by me upon a previous roll call.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present. The President's message will be read.

The Chief Clerk read the message, as follows:

#### To the Congress of the United States:

In my Budget message of January 3, 1936, I reserved making a recommendation for an appropriation for the relief of unemployment, stating that an estimate and recommendation could be better made at a later date. I am now prepared to submit such a recommendation, and this message should be regarded as supplemental to the Budget message.

In asking the Congress for an appropriation to meet the needs of the destitute unemployed during the coming fiscal year, certain facts should be clearly set forth:

First. Since the spring of 1933 there has been a gain in re-employment in each successive year. At least 5,000,000 more people were at work in December 1935 than in March 1933.

Second. In spite of these great gains, there are at present approximately 5,300,000 families and unattached persons who are in need of some form of public assistance—3,800,000 families and unattached persons on the works program and 1,500,000 on local and State relief rolls. Every thinking person knows that this problem of unemployment is the most difficult one before the country.

Third. These figures, large as they are, do not, of course, include all those who seek work in the United States. In none of these figures is included the many unemployed who are not on relief but who are experiencing great difficulties in maintaining independent support. Neither are there included many others not on the relief rolls who are content with occasional employment; nor some who are so consti-

tuted that they do not desire to work; nor many young people who cannot get work and are obliged to share the livelihood earned by their parents. Because of the impossibility of an exact definition of what constitutes unemployment, no figures which purport to estimate the total unemployed in the Nation can be even approximately accurate.

Fourth. Nearly all the 1,500,000 unemployable families or unemployable unattached persons are being cared for almost wholly from State or local funds. A very small number of these families or individuals have begun to receive a comparatively small amount of Federal aid under the provisions of the Social Security Act.

The foregoing figures indicate the problem before us. It is a problem to be faced not merely by the Congress and the Executive, not merely by the representatives of government in the States and localities, but by all of the American people. It is not exclusively the problem of the poor and the unfortunate themselves. It is more particularly the problem of those who have been more fortunate under our system of government and our economy.

It will not do to say that these needy unemployed must or should shift for themselves. It will not be good for any of us to take that attitude. Neither will it do to say that it is a problem for the States and the localities. If we concede that it is primarily the duty of each locality to care for its destitute unemployed, and that if its resources are inadequate, it must then turn to the State for help, we must still face the fact that the credit and the resources of local governments and States have been freely drawn upon in the last few years and they have not been sufficient.

It has been said by persons ignorant or careless of the truth that Federal relief measures have encouraged States, counties, and municipalities to shirk their duty and shift their financial responsibilities to the Federal Government. The fact is that during 1935 State and local governments spent \$466,000,000 for emergency relief, which was 13 percent more than these governmental bodies spent in 1934, 49 percent more than they spent in 1933, and 58 percent more than they spent in 1932. Let it also be noted that the great majority of State and local governments are today taking care not only of the 1,500,000 unemployables, but are also contributing large amounts to the Federal works program.

To expect that States and municipalities should at the present time bear a vastly increased proportion of the cost of relief is to ignore the fact that there are State constitutional limitations, and the fact that most of our counties and municipalities are only now emerging from tax delinquency difficulties. Let us further remember that by far the largest part of local taxes is levied on real estate. To increase this form of tax burden on the small property owners of the Nation would be unjustified. It is true that some States, fortunately few, have taken an undue advantage of Federal appropriations, but most States have cooperated wholeheartedly in raising relief funds, even to the extent of amending State constitutions. It is not desired in the next fiscal year to encourage any States to continue to shirk. The Federal Government cannot maintain relief for unemployables in any State.

The Federal Government, then, faces the responsibility of continuing to provide work for the needy unemployed who cannot be taken care of by State and local funds.

During the current fiscal year the cost of relief actually paid out of the Treasury will amount to approximately \$3,500,000,000.

During the next fiscal year, 1937, more than \$1,000,000,000 will be spent out of the Treasury from prior year appropriations. Practically all of these expenditures will be from allocations made to large projects which could not possibly be completed within this fiscal year. In addition to this amount, the Budget contains estimated expenditures aggregating \$600,000,000 from appropriations recommended for the Civilian Conservation Corps and various public works.

If to this total of \$1,600,000,000 there were added \$2,000,000,000 to be expended for relief in the fiscal year 1937,



the total for this purpose would just about equal the amount that is being now expended in the fiscal year 1936. An appropriation in this amount would be within the limit set by the Budget message and would in effect provide for the third successive year a reduction in the deficit.

This statement as to the Budget program, of course, depends upon the action of the Congress with respect to the substitute taxes, the reimbursement taxes, and the new taxes which I have recommended to replace the lost revenues and to supply the new revenue made necessary by the decision of the Supreme Court invalidating the Agricultural Adjustment Act and by the action of the Congress in appropriating for the immediate payment at the 1945 value of the veterans' adjusted-service certificates. This latter action, as you will recall, requires additional revenue in the amount of \$120,000,000 annually for 9 years. The agricultural program requires annual substitute taxes of \$500,000,000, and there must be raised within the next 3 years \$517,000,000 of revenue to reimburse the Treasury for processing taxes lost in this fiscal year by reason of the Supreme Court's decision.

I am, however, not asking this Congress to appropriate \$2,000,000,000.

I am asking only for an appropriation of \$1,500,000,000 to the Works Progress Administration. It will be their responsibility to provide work for the destitute unemployed. This request, together with those previously submitted to the Congress to provide for the Civilian Conservation Corps and certain public works, will, if acted upon favorably by the Congress, give security during the next fiscal year to those most in need, on condition, however, that private employers hire many of those now on relief rolls.

The trend of reemployment is upward. But this trend, at its present rate of progress, is inadequate. I propose, therefore, that we ask private business to extend its operations so as to absorb an increasing number of the unemployed.

Frankly, there is little evidence that large and small employers by individual and uncoordinated action can absorb large numbers of new employees. A vigorous effort on a national scale is necessary by voluntary, concerted action of private industry.

Under the National Recovery Administration, the Nation learned the value of shorter hours in their application to a whole industry. In almost every case the shorter hours were approved by the great majority of individual operators within the industry. To the Federal Government was given the task of policing against the minority, who came to be known as "chiselers." It was clear that "chiseling" by a few would undermine and eventually destroy the large, honest majority. But the public authority to require the shorter hours agreed upon has been seriously curtailed by limitations recently imposed by the Supreme Court upon Federal as well as State powers.

Nevertheless, while the provisions of the antitrust laws, intended to prohibit restraint of trade, must and shall be fully and vigorously enforced, there is nothing in these or any other laws which would prohibit managers of private business from working together to increase production and employment. Such efforts would, indeed, be the direct opposite of a conspiracy in restraint of trade. Many private employers believe that if left to themselves they can accomplish the objectives we all seek.

We have learned the difficulties of attempting to reduce hours of work in all trades and industries to a common level or to increase all wage payments at a uniform rate. But in any single industry we have found that it is possible by united action to shorten hours, increase employment, and, at the same time, maintain weekly, monthly, or yearly earnings of the individual. It is my belief that if the leaders in each industry will organize a common effort to increase employment within that industry, employment will increase substantially.

Insofar as their efforts are successful, the cost to the Federal Government of caring for the destitute unemployed will be lessened, and, if the employment gains are substantial enough, no additional appropriation by the next Congress for the fiscal year 1937 will be necessary.

The ultimate cost of the Federal works program will thus be determined by private enterprise. Federal assistance, which arose as a result of industrial disemployment, can be terminated if industry itself removes the underlying conditions. Should industry cooperatively achieve the goal of reemployment, the appropriation of \$1,500,000,000, together with the unexpended balances of previous appropriations, will suffice to carry the Federal works program through the fiscal year 1937. Only if industry fails to reduce substantially the number of those now out of work will another appropriation and further plans and policies be necessary.

It is the task of industry to make further efforts toward increased output and employment; and I urge industry to accept this responsibility. I present this problem and this opportunity definitely to the managers of private business; and I offer in aid of its solution the cooperation of all the appropriate departments and agencies of the Federal Government.

My appeal is to the thinking men who are assured of their daily bread. However we may divide along the lines of economic or political faith, all right-minded Americans have a common stake in extending production, in increasing employment, and in getting away from the burdens of relief.

Those who believe that Government may be compelled to assume greater responsibilities in the operation of our industrial system can make no valid objection to a renewed effort on the part of private enterprise to insure a livelihood to all willing workers. Those, on the other hand, who believe in complete freedom of private control without any Government participation should earnestly undertake to demonstrate their effectiveness by increasing employment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 18, 1936.

The PRESIDENT pro tempore. The message will be printed and referred to the Committee on Appropriations.

#### WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. THOMAS of Utah. Mr. President, I offer an amendment in the nature of a substitute for the pending amendment, and ask that it be stated.

The PRESIDENT pro tempore. The amendment, in the nature of a substitute, will be stated.

The Chief Clerk read as follows:

That the courses for which funds are hereby appropriated shall be elective unless required by the administrative officers responsible for the government of the institution where the Reserve Officers' Training Corps is established.

Mr. RUSSELL. Mr. President, I think the amendment offered by the Senator from Utah [Mr. THOMAS] is infinitely preferable to the original amendment offered by the Senator from North Dakota [Mr. FRAZIER].

I do not know any subject pending before the Congress of the United States at the present time about which there has been more misunderstanding, and I may say more misinformation, than has been disseminated in the attacks which are made on the R. O. T. C. units in the various colleges and schools of this Nation.

A carefully studied effort apparently has been made to create in the minds of the American people the impression that there is some act of Congress or some requirement of the War Department or some action on the part of the Federal Government making this course of training compulsory upon the young manhood of this country in the high schools and in the colleges.

There is absolutely no line of any Federal statute making military training compulsory in any educational institution of this country. There is no limitation or condition on the appropriation or allocation of any Federal grant to any school that is contingent upon compulsory military training in any of the institutions which receive these Federal funds.

The issue here, as I see it, as presented by the amendment offered by the Senator from North Dakota [Mr. FRAZIER] is very simple.



Under the Morrill Act it is necessary that the so-called land-grant colleges shall maintain a course in military science. There is absolutely no provision that this course of military science shall be compulsory, or that any institution shall require all the students to take the course. That is a matter which is wholly within the hands of the local governing body of each institution, whether it be a land-grant college or whether it be a high school, such as those to which the Senator from North Dakota has referred.

I have no objection to any Senator or any other individual going before the various boards of trustees or boards of regents that control educational institutions in the United States and urging that military training in those institutions be elective. I do object to the Congress of the United States invading the campuses of this country and telling the various boards of trustees and boards of regents what they can or cannot prescribe as courses of study and instruction in those institutions.

The University of Georgia, located in my State, the oldest chartered State university in the United States, has for a great number of years had a cadet corps and has required that every student in the University of Georgia, taking certain courses, shall be a member of the corps of cadets. Why should we here, by legislative enactment, say to the regents of the university system of Georgia, "We take from your control the rules and regulations that shall govern that institution", merely because someone has raised some false scare here in regard to compulsory military training and conscription of the youth of this country?

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. FRAZIER. I understand that the high school at Athens, Ga., also requires military training as a part of its curriculum.

Mr. RUSSELL. I should not be at all surprised. I am glad I come from a section of the United States where the uniform of the soldier of this Republic is not looked on with disdain, and where the men and women who control the schools and colleges of that section hold to the conviction that some slight training in the military arts is no disgrace to any young man. The people of my State still have a spirit of reverence for the flag and our institutions.

Mr. BENSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. RUSSELL. I yield to the Senator.

Mr. BENSON. Equally I desire to say that I am very proud to be here in the United States Senate, coming from a State where we do not feel that compulsory military training is a prerequisite to an American education, and where young men are not required to take 2 years of military training in order to attend a State university where they may obtain free education in a free country.

Mr. RUSSELL. I have absolutely no quarrel with the Senator from Minnesota on that score. I should not undertake to secure any action by Congress, nor should I vote for any measure, that would require the authorities of the University of Minnesota to take any action in regard to this matter they did not deem meet and proper. I merely ask that the Senator from Minnesota be as liberal as I am and not undertake to dictate to the boards of regents of my State as to what shall or shall not be required in the educational institutions of my State.

Mr. BENSON. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. BENSON. I wish to say that for all practical purposes since 1862 the people in all the States of this country have been laboring under the impression that military training was compulsory in land-grant colleges, because high-ranking officers of the United States Army have paraded over the country and have made the people believe that

military training was compulsory in these schools; otherwise, they would not have it. The Senator may be very sure of that.

Mr. RUSSELL. I hope and trust that the Senator from Minnesota will not attempt to place on my shoulders responsibility for all of the ignorance and all of the misunderstanding of the people of the United States in regard to the laws of the United States. The laws appear in the statutes of the United States and are available to anyone who desires to read them. It is amazing that people could have been kept in ignorance of the truth from 1862 to the present time in regard to the Morrill Act.

Mr. FRAZIER. One of the purposes of the amendment is to make military training optional. I want to make it optional.

Mr. RUSSELL. Mr. President, the purpose of the amendment is to wipe out the autonomy that is vested in the board of trustees of every institution of education in this country at the present time. It can have no other object nor can it have any other effect.

We have gone a long way here in wiping out State lines under the stress of a great emergency. Some of the legislation having that tendency I have supported, but I say that it is going altogether too far when there is an attempt to have the Congress of the United States prescribe what shall or shall not be taught in any educational institution in this country.

Talk to me about conscription, talk about regimentation and "goose-stepping!" What is being prescribed here, if we adopt this amendment, but regimenting and conscripting all of the institutions of this country by a Federal power attempting to tell them what they shall or shall not do?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I think the Senator from Georgia is laboring under a misapprehension. All my amendment requires is that none of the money shall be used in a school or college where there is compulsory military training.

Mr. RUSSELL. I understand the amendment of the Senator from North Dakota.

Mr. FRAZIER. If a school or college wanted the money from the War Department, it could not continue compulsory military training.

Mr. RUSSELL. The Senator from North Dakota can do as he chooses in his State in regard to compulsory military training and still secure the Federal funds provided under the Morrill Act, but, not content with that, he wishes to have Congress go to all the States and say to them, "We will take these funds away from you unless you follow the edicts of the Congress in regard to matters which should be peculiarly sacred to the campuses of the various educational institutions."

Mr. FRAZIER. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield?

Mr. FRAZIER. I have no quarrel with the Senator from Georgia. If he believes in "Prussianizing" our public schools, high schools, and colleges, compelling military training, all well and good; but I cannot agree with him.

Mr. RUSSELL. The Senator from North Dakota always falls back to statements about "Prussianizing." What I am seeking to do is to avoid "Prussianizing" and regimenting the schools. Leave this matter where it belongs, in the hands of the various boards of trustees of the educational institutions of this country, and do not seek to "Prussianize" and regiment from Washington by telling the trustees of every institution what may or may not be taught in the institution.

The Senator from North Dakota has read some statements which he says were made by individual students in regard to joining these R. O. T. C. units, and he says that one after another indicates that everyone is opposed to these R. O. T. C. units and any compulsion.

Mr. President, at the present time there are pending in the War Department of the United States, 51 applications from these "poor, oppressed" high schools and colleges to



which the Senator makes such touching reference, asking that the Government of the United States reach out and give them the benefits of the R. O. T. C.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I should like to ask the Senator why these poor high schools are asking for R. O. T. C. units.

Mr. RUSSELL. Because they believe that they are very beneficial to the students of their institutions.

Mr. FRAZIER. Oh, no. Will the Senator yield further?

Mr. RUSSELL. I will yield, but I should like to proceed with my statement.

Mr. FRAZIER. There are many high schools and colleges at the present time which are having a very hard time getting money with which to continue, and they are asking for R. O. T. C. money in order to help them maintain their schools.

Mr. RUSSELL. That is the conclusion reached by the Senator from North Dakota. I might say that the high school units do not receive any funds from the Federal Government. They get their equipment, but the students are not paid a dime. That applies only to the senior units in the colleges.

Mr. FRAZIER. General Conley, the Acting Adjutant General of the Army, told me this morning over the telephone that 41 high schools are considered as junior units, and require military training, and officers are assigned to them just as is done at the universities.

Mr. RUSSELL. I am speaking of the difference in what the students receive. The high-school student receives nothing from the Government.

Mr. FRAZIER. The school receives it.

Mr. RUSSELL. It receives nothing on earth except instruction in military training, the equipment used in drill, and the uniforms of the students in school.

Mr. FRAZIER. That part of it is correct.

Mr. RUSSELL. The Senator from North Dakota will concede that there is no compulsion anywhere on any board of trustees of a high school to come in and ask for the benefits of these R. O. T. C. units.

Mr. FRAZIER. Of course, no compulsion, but if the Government furnishes an instructor in military tactics, he takes the place of an instructor in a gymnasium, or some other physical training.

Mr. RUSSELL. If the Senator from North Dakota will think of the fallacy of his last statement after he takes his seat, I am sure he will withdraw it, because the school does not ask for any instructor to take the place of another in military training. The training and the benefits from the course of instruction provided by the War Department is what these 51 institutions are seeking. No compulsion forces them to Washington to petition for these units in their respective schools.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PITTMAN. I should like to know whether the Senator from Georgia or any other Senator knows whether or not the legislatures of any of the States have prescribed compulsory military training in their agricultural colleges.

Mr. RUSSELL. Mr. President, I am not advised on that point; but if the legislature of any State has prescribed compulsory military training in any one of these agricultural schools, the proper method of correcting that is to go back to the legislature of the State and have the law repealed.

Mr. PITTMAN. What I desired to suggest to the Senator was that the State has jurisdiction over the subject, and if the State, by an appropriation act or otherwise, has made military training compulsory, then the law could not be changed until the legislature met; and the adoption of the pending amendment would prevent the use of the money.

Mr. FRAZIER and Mr. BENSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from North Dakota.

Mr. FRAZIER. In reply to the question of the Senator from Nevada, let me say that, so far as I know there is no

State legislature which makes a course in military tactics in the land-grant colleges compulsory. The State Legislature of the State of Wisconsin, however, passed a law providing that there should be no compulsory military training in the schools of that State.

Mr. PITTMAN. I have not had occasion to look into the matter, but if the legislature of my State has passed a law requiring universal military training, I should dislike very much to have the schools of the State deprived of the money they might receive under this appropriation pending the time the legislature may meet and change the law. I am very much in favor of the elective system.

Mr. BENSON. Mr. President, will the Senator from Georgia yield to me now?

Mr. RUSSELL. I yield.

Mr. BENSON. I may answer the Senator from Nevada in this way: In Minnesota for many years we did have compulsory military training. In attempting to change to an elective system we met with tremendous opposition from the United States Government, through high-ranking officers of the United States Army. They paraded all over the State and made public speeches, and arranged that information should be printed in our daily newspapers which carried the inference, at least, that should Minnesota decide not to have compulsory military training in its university it would no longer receive this Federal aid. For that reason, if for no other, it seems to me the pending amendment should be enacted into law, in order to make it very definite that military training shall be elective.

Mr. RUSSELL. I presume the Senator has not heard read by the clerk the amendment offered by the Senator from Utah [Mr. THOMAS].

Mr. BENSON. No; I have not.

Mr. PITTMAN. Mr. President, I think it would be very much better to have Congress pass a resolution stating that the military training course is elective, and not compulsory.

Mr. RUSSELL. That would place us in the very anomalous position of passing a resolution declaring again what the law of the land already provides.

Mr. BENSON. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. BENSON. If the Senator from Nevada will take into consideration the fact that since 1862 Army officers have been parading over the country, and that other Federal officials have been doing likewise, and sending out information in an effort to convince the people that military training is compulsory, he will appreciate what a difficult position he will find himself in if he tries to change that situation today.

Mr. PITTMAN. Mr. President, if the Senator from Georgia will pardon me, I have no doubt that that is the general impression with regard to the law, and I have no doubt that a great many have been actuated, in requiring compulsory military education in the colleges, by that belief; but I am satisfied that if they are convinced that that is not necessary, the people themselves, having a majority in the State, will influence the trustees of the university, or, if not, the legislature, to change the system. I fear we may find States which, through their legislatures, have acted on this matter, believing that they had to have compulsory military training, and, of course, it would require a legislative act to change the law. I entertain the hope that they will not be deprived of some share of the appropriation by reason of that condition.

Mr. RUSSELL. Mr. President, in this country the officers of the Army or the officials of the War Department do not make the laws, and any statement of an officer of the Army as to what the law might be does not have any force whatever. The Congress of the United States and the legislatures of the various States still make the laws, and certainly because some officer of the Army has made some misleading statement somewhere as to what an act provided should not be urged as an argument for this drastic, far-reaching invasion of every campus in the United States where there is an R. O. T. C. unit. Under no circumstances can such an argument be justified.

The Morrill Act has been on the statute books of the United States since 1862, and I venture to say that there is no city



or town or community in the United States where there is not some book which contains that statute, and certainly the States which desire to retain this feature in their educational system should not be penalized or punished because of some irresponsible officer of the Army who has gone around making statements which were at variance with the law as enacted by the Congress.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. Is it not true that under this amendment North Dakota would get the money for aid under an elective system, but my State, which has a military college in which every student is supposed to take military training, would not get a cent?

Mr. RUSSELL. The Senator from Texas is eminently correct.

Mr. CONNALLY. What business is it of the Senate to dictate to these colleges? Why not let each State have aid, if it has a military school in which military training is compulsory? It is the State's business and not ours. Furthermore, in a boys' school, where the students live in barracks, it would be impractical to have half of them under military discipline and the other half walking around as untrained rookies.

Mr. FRAZIER. I do not take exception to such training in strictly military schools.

Mr. CONNALLY. If the Senator is sincere, why not prescribe military training in all the schools? Why provide that the university does not have to have it, when the military school which may be across the street is obliged to have such training. Why make fish of one and fowl of the other?

Mr. FRAZIER. A private military school, of course, is obliged to have such training.

Mr. CONNALLY. Or a State institution.

Mr. FRAZIER. Or a State institution. I have no objection if the boy wants to take military training.

Mr. CONNALLY. Students do not have to go to a school providing military training if they do not want to do so.

Mr. FRAZIER. Of course, they can stay at home and not go to school at all.

Mr. CONNALLY. They can go to schools in North Dakota.

Mr. FRAZIER. In North Dakota we have two State institutions, both of which give a college course, both are land-grant colleges, and both require military training.

Mr. CONNALLY. That is fine.

Mr. FRAZIER. The boys cannot go to other States. They do not have the money to attend schools in other States.

Mr. CONNALLY. I do not think my university has military training at all.

Mr. FRAZIER. Is the Senator's university a land-grant college?

Mr. CONNALLY. No. We pay for it ourselves.

Mr. FRAZIER. There is a land-grant college in Texas?

Mr. CONNALLY. Yes. The Agricultural and Mechanical College is strictly military. Everyone who goes there ought to take military training. Why spend money on military training at all if we are not going to train the students to fight if necessary? There is not a Senator on the floor more devoted to peace than is the Senator from Texas, but I do not think it is a crime to train young Americans to bear arms, because in the present disturbed state of the world we never know when we are going to have to fight. I am not in favor of saying it is a crime to train a young man to be a soldier if he has to be one, because if he is trained he will be a good one, and it is to his own advantage and benefit that he be trained.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BENSON. I think the Senator from Texas has answered the question. If we want to train soldiers, let us train them in military schools and not force military training upon them in our State universities and land-grant colleges.

Mr. CONNALLY. We are not forcing it upon them. We are letting each State institution decide for itself. The Sen-

ator from Minnesota wants to say whether or not colleges in my State shall have military training.

Mr. BENSON. No; because in Texas you have a military college, and the proposed amendment does not affect such colleges.

Mr. CONNALLY. Yes; but we also have other colleges.

Mr. BENSON. The Senator does not answer the question.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DUFFY. The Senator from Georgia touched on a point a few minutes ago as to which I should like to have a little further information. I recall last year when this amendment was offered, and was defeated, that the Senator from North Dakota [Mr. FRAZIER] made the same argument that I heard him make this morning, which is that in the high schools that have military training they have it not because they want military training but because there is some financial advantage if a training unit is installed. If I understood what the Senator from Georgia said a little while ago, there is absolutely no financial advantage which goes to high schools by having such units installed. Merely equipment and an instructor are furnished, but that does not help them financially in any way. Am I correct in that statement?

Mr. RUSSELL. The only financial advantage that a high-school student or that the school itself could possibly secure from one of these R. O. T. C. units is the uniform which is furnished to the student. The school does not receive 1 dime in cash. There is absolutely no penalty on earth that could be inflicted on any school for not having any compulsory training in the high school. It has the training merely because the board of trustees of that institution wishes to have that form of training.

As I pointed out, Mr. President, there are now 51 additional institutions which are down at the War Department today asking to be allowed to secure the great benefits of having one of these institutions to build up young men physically and spiritually and morally through the course of training that is prescribed by these R. O. T. C. units. There can be no element of compulsion in any high-school unit unless it is prescribed by the local board of trustees, because the Government only grants them an officer to train the youth, the uniforms that the boys wear, and the equipment necessary for the cadet corps.

Mr. BENSON. Mr. President, I presume the spiritual training to which the Senator refers comes from the bayonet practice the boys get at the schools.

Mr. RUSSELL. There have been times in the history of this Republic when knowledge of military science, of how to use a bayonet in the hands of the American soldier, was very, very important to the preservation of this Nation and to its welfare. Every citizen enjoys as his most sacred possession rights and liberties which were won at the point of the bayonet. I pray we may never have another war, but the time may come when knowing how to use a bayonet will be most important.

Mr. President, I do not seek to militarize the youth of this Nation. I would not for one second tolerate the support of any such system of compulsory military training as is in vogue and effect in the nations of Europe today. I do say that we are going too far in the Congress if we seek to tell individual governing bodies of the schools of this country what they may or may not do on their respective campuses, and that is the issue which is involved in this amendment. There is no question of militarization, there is no question of compulsion, except that prescribed locally by those having jurisdiction.

Let those Senators interested in this subject go back to their respective States or to their respective boards of trustees and have these compulsory restrictions changed. I do not object to that. I do object to their coming into my State and telling my board of regents what they can prescribe as a course of study in the University of Georgia, or coming to the fine little city in which I live, a town of 3,500 people, and telling my board of trustees what they can or cannot do with the course of study of the high-school students of that city. That is the thing I object to.



Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota. He has been very generous in yielding to me.

Mr. FRAZIER. The Congress, of course, is responsible for the money it appropriates, and the money that goes to these schools because of R. O. T. C. units is supposed to be for the purpose of training Reserve officers for the Army.

Mr. RUSSELL. That is not true of the high-school units, because the students are not commissioned out of the high schools. They merely afford a form of healthful exercise and education to the youth of the high school.

Mr. FRAZIER. It is along that same line, however. It is called the R. O. T. C., Jr. It costs more, according to the figures I have given—and I think the statement can be borne out by any figures Senators may find—to train boys for the Reserve officers in the schools where the training is compulsory than it does in the schools where it is elective. It is naturally so, because there are some boys who would not take the course if it were not required. The Government has to pay for that. We are responsible for these appropriations, and it seems to me we ought to be interested in cutting down the appropriation as much as possible.

Mr. RUSSELL. Mr. President, I regret that I cannot accept at full value all of the statements and figures offered by the Senator from North Dakota in regard to this specific subject. The Senator from North Dakota has spoken about the fact that there was a great wave of sentiment that has swept this country, condemning the R. O. T. C. courses in the high schools, and quoted from letters from young men who pointed out horrible instances of "conscription of youth." That, of course, is ridiculous on its face, because there is nothing to compel the young men to go to such schools.

I desire to give Senators some figures which have been gathered from those who have had R. O. T. C. training in this country. These are not figures which emanate from the War Department that is referred to here today as some horrible overshadowing power that is forcing a military system on the people of the United States. These were figures gathered by the Office of Education in the United States Department of the Interior. This Bureau sent out 16,000 inquiries to young men who had graduated between the years of 1920 and 1930, from institutions that had these R. O. T. C. units. They received a phenomenally large number of replies to a voluntary communication. Out of 16,000 letters they received 10,136 replies from men who had graduated from these colleges. Here are some of the questions that were asked:

1. In your opinion, has the R. O. T. C. military course of study a definite educational value of its own?

In response to that question addressed to 10,000 men who had graduated from these institutions, 97.1 percent answered "yes", that the course had a definite educational value, and 2.9 percent answered "no."

Mr. FRAZIER. Mr. President, will the Senator yield again?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I desire to call attention to the fact that the letters were sent out to those who had graduated; not to the boys who were in the schools at the present time. Quite a difference will be found between those two classes.

Mr. RUSSELL. I stated that the letter was sent out to those who had graduated. I made that statement.

Mr. FRAZIER. Yes. There is quite a difference between the two classes.

Mr. RUSSELL. The second question was:

2. Did the R. O. T. C. contribute anything important or unique to your education?

In response to that question 94.9 percent of these young men answered "yes" and 5.1 percent answered "no."

The fourth question was as follows:

From your own experience was the time you spent on the training justified by the results obtained?

Of the young men who had had military training 94.9 percent answered "yes" and 5.1 percent answered "no."

Here is a question that was addressed to men who had had this training, and who should have been able to answer it better than those who merely had a great many preconceived opinions on the subject—

7. In your opinion, does the R. O. T. C. course of instruction tend to produce a militaristic attitude inimical to world peace?

The answer to that question in the affirmative was confined to 6.4 percent, whereas 93.6 percent of those who had had the training answered no. I think that this is the most authentic poll that has ever been made on that subject.

Mr. President, I did not arise to address myself to the question as to whether or not the R. O. T. C. course in the schools and colleges was beneficial or helpful to the youth of the land. I think it is one of the finest and most praiseworthy things sponsored by the Federal Government. The question may be debatable. Many pacifists say that it is positively injurious; many of those who have studied the schools in actual operations say it is very helpful; but the poll of those who have graduated after having taken the prescribed course of study shows that by a great majority they answered that military training had contributed a great deal to their college education after having experienced it first hand.

I wish merely to point out further one additional fact, namely, that while taking military training in land-grant schools and colleges the students receive 25 cents a day subsistence and receive a new uniform every 2 years. In many of the wealthier States perhaps \$71.25 a year may appear very insignificant to those who know something of expensive college education, but there are sections of the country, Mr. President, where \$71.25 means the difference between a young man's being able to attend college and his inability to equip himself for the battles of life. This is a real item to be considered in our examination of this subject, because the funds thus made available are very helpful in keeping in college many poor boys who could not afford an education without the benefit of this small amount.

I do not desire to attempt to dictate as to what is to be done in any other State, though I believe, heart and soul, in the benefits to be derived from R. O. T. C. training. I would not here support any bill that would write into the Federal law the slightest element of compulsion on any campus anywhere. I do, however, object as strenuously as I can, with every power of my being, to the Senate of the United States writing into this bill a provision that will invade the precincts of the campuses in my State and wipe out the autonomy of the governing bodies of the University of Georgia and other institutions that desire to have military training. There may be States which have legislative enactments requiring a course in military training to be compulsory in the State schools. It is my view that those who are interested should go back to such States, to their State legislatures, and have the State law repealed if they object to it; but, without regard to that, a State that should find itself in that situation, with a statute requiring military training in their land-grant college, would find, if we adopted the amendment of the Senator from North Dakota, that the Federal appropriation was cut off under the Morrill Act unless the Governor were to call an extra session to repeal the law.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. Yes; I yield to the Senator.

Mr. FRAZIER. Under the Morrill Act, as I understand, land-grant colleges are put on the list to receive this aid from the War Department.

Mr. RUSSELL. Of course.

Mr. FRAZIER. As I understand, they would not be cut off even if the amendment were adopted. All the amendment would do would be to require that the course in military training shall not be compulsory.

Mr. RUSSELL. If the Senator from North Dakota will think for a minute, he will appreciate that his amendment provides that if the military-training course in a college is compulsory such college will not receive a dime of the funds under the Morrill Act. Is not that correct? If there is an



act of the legislature in some State making military training a compulsory course in the college, by the adoption of the pending amendment the State would be automatically cut off from participation in the funds appropriated under the Morrill Act, when the question of the course of education is a matter with which we here have nothing to do. I am in favor of the Federal Government's supporting education in this country, but I do not think the Congress should attempt to legislate for the conduct of every high school and college in the land. If we go this far in this movement, there may be raised a real specter of intolerance. We hear much about the insidious forces that are at work. If we go this far, and strike down the autonomy of all local school districts and of all local boards of regents and boards of trustees that are charged with the first responsibility for the administration of these institutions, we can go further and write into the law that this or that or the other subject shall be taught or not taught or the school will be deprived of their Federal funds.

Mr. ADAMS and Mr. FRAZIER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Colorado.

Mr. ADAMS. Would not the effect of this amendment, if adopted, be to offer a premium to those schools which do not give military training?

Mr. RUSSELL. In one way it would have that effect, in my opinion.

Mr. ADAMS. Would the college which gave no military instruction share in the fund?

Mr. RUSSELL. No; it would not.

Mr. ADAMS. If a school or college makes military training compulsory—and it is information I am seeking—it will not, if this amendment shall be adopted, share in the funds provided?

Mr. RUSSELL. The Senator from Colorado is correct.

Mr. ADAMS. Therefore the effect of the amendment is, by offering a reward, to strike down military training in all schools where it is compulsory?

Mr. RUSSELL. I might say to the Senator from Colorado that I think the amendment is unquestionably a step in that direction.

As I have said, Mr. President, I merely plead with the Senate to leave control of these matters where it properly belongs, in the local governing bodies of the educational institutions. We are doing a dangerous thing when we undertake by congressional action to dictate what shall be the course of study prescribed anywhere. Merely because we are dealing with a military matter today is no assurance that we will be confined to a military matter in the future.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Missouri?

Mr. RUSSELL. I yield.

Mr. FRAZIER. The Senator from Georgia has raised a hypothetical case, if the State legislature has passed legislation in regard to compulsory military training. So far as I know—and I think I am very safe in saying—no legislature has passed any such act.

Mr. RUSSELL. Does the Senator from North Dakota make that statement on his responsibility as a Senator—that no State has such a statute?

Mr. FRAZIER. So far as I know—and I have been in this fight for a number of years—the question was never raised until the Wisconsin State Legislature passed the act providing that compulsory military training would not be allowed in the State institutions.

Mr. RUSSELL. If the individual State so desires, no one could properly have objection to any State passing such an act. Neither would objection to any board of regents or any board of trustees anywhere prescribing that any course in an educational institution shall be optional instead of compulsory be tenable. I do, however, think that the Congress would go entirely too far were it to attempt to legislate on this subject and tell local governing bodies what they might or might not do.

Mr. AUSTIN obtained the floor.

Mr. NORRIS. Mr. President—

Mr. AUSTIN. I will yield to the Senator from Nebraska if he desires me to do so.

Mr. NORRIS. I have no desire to proceed now. I will wait until the Senator shall have concluded.

Mr. AUSTIN. Mr. President, it is my impression that the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS] is inconsistent with the Morrill Act, the act of 1862, the act of 1920, and the act of 1926.

Mr. NORRIS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Nebraska?

Mr. AUSTIN. Yes.

Mr. NORRIS. I was not aware of a pending substitute. Has it been printed?

Mr. AUSTIN. I understand that the amendment in the nature of a substitute has just been presented and is on the table.

The PRESIDING OFFICER. The pending question is the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS].

Mr. FRAZIER. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. FRAZIER. Mr. President, if I may do so at this time, I desire to raise a point of order against the amendment offered by the Senator from Utah as being new legislation offered to the pending appropriation bill. The amendment, as I see it, if adopted, would do no good anyway, because it would simply leave the situation in status quo. If my amendment should not be adopted, of course the situation would be just the same as it would be if the proposed substitute were adopted.

The PRESIDING OFFICER. Does the Senator from Vermont yield for the purpose of enabling the Senator from North Dakota to make the point of order?

Mr. AUSTIN. I yield for that purpose.

Mr. FRAZIER. I make the point of order on the ground stated.

The PRESIDING OFFICER. The Chair sustains the point of order. The amendment offered by the Senator from North Dakota [Mr. FRAZIER] is in the nature of a limitation on the expenditure of funds, while the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS] is clearly legislation and prohibited by rule XVI of the Senate Rules. The Chair, therefore, sustains the point of order.

Mr. AUSTIN. Mr. President, at this juncture I wish to call attention to a brief legislative history of the Morrill Act as bearing upon the question whether there is a condition attached to the grant that would be violated by the adoption of the pending amendment. I will try to be brief.

Mr. Morrill commenced his efforts to secure this legislation in 1857, introducing in the other House the land-grant college bill. That bill was adversely reported in 1858. It made no mention of military training. In December 1861, persisting in his efforts, Mr. Morrill introduced a second bill of the same character and to the same effect, except that, after specifying the leading objects of the bill, these words were added:

Without excluding military training.

In May 1862, Senator Benjamin F. Wade, of Ohio, introduced a similar bill in the Senate, which made the language concerning military training mandatory in form, reading—

And including military training.

That phrase remained in the bill as it was finally enacted and approved. I read from section 4 of the Morrill Act:

That all moneys derived from the sale of the lands aforesaid by the States to which lands are apportioned, and from the sales of land scrip hereinbefore provided for, shall be invested in stocks of the United States or of the States, or some other safe stocks; or the same may be invested by the States having no State stocks in any other manner after the legislatures of such States shall have assented thereto, and engaged that such funds shall yield not less than 5 percent upon the amount so invested and that the principal thereof shall forever remain unimpaired: *Provided*, That



the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 5 of this act), and the interest of which shall be inviolably appropriated, by each State which may take and claim the benefit of this act, to the enjoyment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life.

Sec. 5. And be it further enacted, That the grant of land and land scrip hereby authorized shall be made on the following conditions, to which, as well as to the conditions hereinbefore contained, the previous assent of the several States shall be signified by legislative acts.

There is more in section 5 which I omit, but I come directly to the paragraph marked "Third" in that section and read as follows:

Third. Any State which may take and claim the benefits of the provisions of this act shall provide, within 5 years, at least not less than one college, as described in the fourth section of this act, or the grant to such State shall cease; and said State shall be bound to pay the United States the amount received of any lands previously sold, and that the title to purchasers under the State shall be valid.

Thus we see what appears on its face to be a grant clogged with a condition and a forfeiture in the event of breach of the condition. That condition is that there shall be maintained at least one institution in the State in which a course is taught whose principal object is the teaching of agriculture, the mechanic arts, and military tactics.

That act had legislative construction by the shifting of phrasing in 1916. The Congress, dealing with the subject of the military institution in contemplation of the Great War, enacted the following section relative to the Reserve Officers' Training Corps. I read a section which was enacted June 3, 1916, and reenacted June 4, 1920, with some slight changes in it. It is found in Thirty-ninth Statutes, page 191; Forty-first Statutes, page 776. The edition from which I am reading, however, is the United States Code, title 10, section 381. This section represents both of those enactments of 1916 and 1920, and reads as follows:

Establishment of training corps: The President is authorized to establish and maintain in civil educational institutions a Reserve Officers' Training Corps, one or more units in number, which shall consist of a senior division organized at universities and colleges granting degrees, including State universities and those State institutions that are required to provide instruction in military tactics under the act of Congress donating lands for the establishment of colleges where the leading objects shall be practical instruction in agriculture and the mechanic arts, including military tactics.

I discontinue reading from the section because the remainder of it would rather confuse than bring out in bold relief the point for which I have read this part of the section, which is that the words "including military tactics" occupy a different position in this section than they do in the original Morrill Act. Senators may have observed the peculiar relationship of those words to the rest of the section which might possibly justify a confusion. I read them as they appear there:

Where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts.

The claim which I make is that those two acts of Congress, passed long years after 1862, one of them during the period of the World War, the other after the World War was over, and when we were considering the establishment of military education with reference to a peacetime situation, are legislative construction of the Morrill Act showing that the condition of the grant of these funds to the several States was for the maintenance of colleges where the leading object should be practical instruction in agriculture and the mechanic arts, including military tactics.

That is not the end of the legislative story. There is another act of Congress dealing with and repeating the same words which occurred in section 4 of the Morrill Act as originally enacted. I turn now to United States Code, title 7, section 304, relating to agriculture, and read only that part of the section which relates to this condition.

The remainder of the section appears to me to be identical with the original act save only with respect to the rate of interest which was required to be guaranteed by the States on the advances, the rate in the original act being 5 percent and the rate established by the act of 1926 being a fair and reasonable rate of return instead of 5 percent. In all other respects Congress reenacted section 4 of the Morrill Act in *haec verba*, which signifies the understanding of Congress that the grant was made upon a condition that the States must follow inviolably.

So when we approach an amendment of the law, especially when we approach an amendment of an appropriation act such as the one now pending, it seems to me we are not dealing with the subject as we ought to do if our purpose is to change the relationship between the Federal Government and the several States in respect to these contracts.

I read from section 304 of title 7, United States Code:

*Provided*, That the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 305 of this chapter), and the interest of which shall be inviolably appropriated, by each State which may take and claim the benefit of sections 301 to 308, inclusive, of this chapter to the endowment, support, and maintenance of at least one college where the leading object shall be without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts.

Now, Mr. President, I conclude. I do not intend to repeat what I said yesterday, my purpose being only to get in the RECORD, while we are still discussing the matter, this fragment of the history of this legislation, because I think it is pertinent to the question of the policy to be adopted by Congress at this time.

If we have the objective of changing the relationship between the Federal Government and the several States, if our purpose is to remove the condition of the grants, if we are to assume that we are the sole persons interested in the conditions prescribed and that we have the right at any time to change those conditions, cancel them, waive them, do what we please with them, the point I make is that we should not do it upon an amendment to an appropriation bill, brought to the floor of the Senate without any consideration by a standing committee, without any study, without any record back of it. It is a subject of sufficiently great importance to be entitled to careful thought before we undertake to make such a complete change in our policy.

Therefore, I am opposed to the adoption of the amendment.

Mr. NORRIS. Mr. President, I wish briefly to discuss this amendment from a somewhat different viewpoint than has been taken by most, if not all, of the Senators who have discussed it. Before doing so, however, I wish to refer to what the Senator from Vermont [Mr. AUSTIN] has just said in giving his idea of the Federal law which exists, and which governs these schools.

As I understand, the Senator from Vermont takes the position, that, taking all these statutes together, we must draw the conclusion that it was not the intention of Congress in any of these acts to give any of this money to land-grant colleges unless they did provide for a compulsory military-training course.

Mr. AUSTIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. NORRIS. I yield.

Mr. AUSTIN. I fear there might be a misunderstanding if that statement should stand just exactly as made by the Senator.

Mr. NORRIS. I shall be glad to have the Senator correct me if that is not correct.

Mr. AUSTIN. The word "compulsory", as used by the Senator from Nebraska, I believe refers to the obligation which the university places upon all its male students to take this subject.

Mr. NORRIS. Oh, no; I do not mean that. I mean that the student, taking the course prescribed, would have to take military training as one of the subjects in order to receive the degree that would come to him upon graduation. I do not



mean that everybody attending the school would have to take military training.

Mr. AUSTIN. Will the Senator yield further for a clarification of my position on that point?

Mr. NORRIS. Yes.

Mr. AUSTIN. My theory is that in order to be able to carry out the terms of that condition, a university must maintain at least one course which contains in it military tactics.

Mr. NORRIS. That far I do not disagree with the Senator at all; but I do disagree if we must draw the conclusion that that particular course is compulsory. This amendment, as I understand it, concedes that the school receiving these benefits must have a course that includes military training, but that no obligation rests upon the State to make this particular course compulsory.

Mr. AUSTIN. Mr. President, if the Senator will yield further—

Mr. NORRIS. I yield.

Mr. AUSTIN. My theory is that it is to a certain extent compulsory, namely, to the extent that any student who seeks to get a systematic education in that course, who matriculates in the agricultural course, for example, where these studies are made prescribed studies, must submit himself to the discipline of the institution which prescribes military tactics as a part of the course in agriculture and mechanic arts; and if he starts in and fails to attend the prescribed classes, of course, he is subject to discipline, and to that extent he is under compulsion. He is under discipline.

Mr. NORRIS. I think there is really no disagreement, after all, between the position I take and the one taken by the Senator from Vermont, as I understand it; but, whatever may be the position taken by myself or by any other Senator, I think it must be conceded that the course in military training does not necessarily have to be compulsory, because two States—Wisconsin and Minnesota—where the course is not compulsory, are already receiving the benefits of this Federal fund. I assume, however, that in each one of the colleges in Wisconsin and Minnesota they have military training in the course. The student may take it or not, just as he sees fit. In other words, it is not compulsory. In all the other States which are getting this benefit from the Federal Government the course is compulsory.

One word, now, about the amendment. It may not be the right way to legislate. It is, however, a common way in Congress, sometimes the only way; and this is probably an instance in which the question can be reached by an amendment such as this is. It is not legislation. This amendment does not attempt to legislate. It is a limitation on an appropriation bill. If it undertook to legislate, it would be subject to a point of order, and would undoubtedly go out. It is a provision of law which applies only to the appropriation in this bill. It goes no further. It will not be the law at the expiration of the life of this appropriation bill, which will be 1 year from next July. It is not permanent law, and is only a limitation on an appropriation bill which Congress has the power to place upon any appropriation, whether or not it is conceded to begin with that the appropriation is perfectly legal in every respect. Congress has the right to deny the appropriation of money for any purpose it may see fit.

Now let me take up the question, as I said, from a different viewpoint than that from which most other Senators have discussed it.

As I see the matter, fundamentally we are not concerned, so far as this amendment goes, with whether military training is a good thing or a bad thing. Much time has been taken up on that phase of the matter, and I have my ideas about it just as all of us have; but, as I see the matter, whether I believe in military training or whether I do not is immaterial so far as my vote on this amendment is concerned. The effect of this amendment will be, as I see it, to extend the democratic idea to a State university and permit the students there to do as they please. Under existing law in all the States but two the students do not have the choice; they must take military training.

If we wish to be fair, it seems to me we must concede that the American people are divided upon this question of military training in the public schools. I do not know how nearly equally they are divided. I do not know which side has a majority of the people on it; but a large number of conscientious, honest citizens are on each side of that question. I think no one will dispute that fact. Those who believe in military training ought, therefore, to respect the ideas of those who do not; and the reverse should be true. Those who do not believe in military training ought to concede that those who do should have the right to be trained in these institutions according to their own ideas on the subject.

But if we want to respect the opinions of these two great masses of people for the next year, the only thing to do is to put this amendment on the bill, because as it stands now the millions of people sending their boys to these colleges and who want them trained in military tactics, and the millions of other people who are sending their boys to these public institutions who do not want their boys trained in military tactics, do not share equally. In other words, those who do not believe in military training are compelled, if they send their boys to these institutions, to have them trained in military tactics, just the opposite of what they want. We should not deny them the right to have their boys go to a State university, let us say, and either take military training or not, just as they see fit.

This amendment will enable them to take their choice in the matter. They can send their boy to a land-grant college and have him trained in military tactics or not, but if we do not adopt this amendment and they want to send their boy to the State institution, that boy must be trained in a military class and study military tactics.

To my mind, we are not now called upon to decide whether military training is advantageous or not. If we were a State legislature, passing on a question relating to our State universities, then that would be the question and the subject we would have to decide. I believe this to be true, that in practically all the States of the Union the legislatures, if they were deciding the question on its merits, would leave to the student himself as to whether he should take military training or not. As it is now, all the hundreds and thousands of students who desire to attend these institutions must either stay out of the institutions entirely or they must take military training.

I submit that is not fair; that is not democracy; that is contrary to the fundamental principle underlying all our institutions. I am not now saying anything against military training; I am not now claiming that it is not a good thing; but I am claiming that the parents of the boys who go to these schools, who have different ideas on the subject, ought to be able to say, "We want our boys trained in military tactics" or "We do not want our boys trained in military tactics. We do not want them to be driven out of the land-grant colleges, and the high schools, in some instances, simply because we have conscientious scruples against military training."

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. COPELAND. Is it not an unusual remedy, however, for the Federal Government to go into a State or into a municipality and say, "Unless you change your law in the State, or unless your school board adopts a different rule, you will not get any of this money"?

Mr. NORRIS. The Senator has a right to make that claim, but I do not think it is a fair claim to make. We say by this amendment that the people who go to the schools have a right to decide whether they will take the military training or not. That is the effect of the amendment, as I see it, and I think that is a fair thing to put up to them.

Suppose we just reversed the situation, and said, "We will not give you any money unless you discard military train-



ing." I should not favor that kind of an amendment. If the people controlling the universities want to teach military tactics, I think they ought to be allowed to do so, but I think, for the same reason, that the other side, constituting perhaps one-half of the people, possibly more, possibly less, ought to have the right to refuse to take military training. I do not know how the people are divided on this question, but we all know that a very large percentage of our people are opposed to making military training compulsory in our schools.

Personally, I feel deeply on the subject. If we were passing on that question in the legislature of a State, I should be in favor of refusing to make the training compulsory. I do not mean to say that I would abolish the military training, but I would not compel a large number of people to take military training if they did not want to do so. It appears to me that is the question we are called upon to decide.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COPELAND. The thing which appeals to me strongly about this matter, as we have argued it, is that I would not favor compulsory military training in a high school, in a local school, where the pupil had no choice, where that was the only place where he could go. There might be large groups of families in the community which did not want their children to have military training.

Mr. NORRIS. Exactly.

Mr. COPELAND. I can see that in such a case we would be party to an imposition upon the families entertaining such beliefs. But when it comes to college, that is an entirely different thing. There are so many colleges in this country that if, for any reason, a student or his family may be against military training there are plenty of other colleges where he can go.

Mr. LA FOLLETTE rose.

Mr. NORRIS. Let me answer the Senator from New York first, and then I will yield to the Senator from Wisconsin.

What the Senator has said is true; if one does not want to go to the universities, he may go somewhere else. That is practically what we say to these people, "If you do not like the university which compels the students to take a course in military training, you can go to some school which does not have military training." But that is a cruel thing to do, as I see it.

I have a great pride, for instance, in my own State university. I think practically every citizen of the State in which I live has a similar pride in our university. But I would not want the law to go so far as to provide that one-half of the people of the State in which I live should not go to that school unless they would agree to take military training, and that is what we are going to do if we defeat the amendment. That will be the effect, as I see it. It is true that such a rule applied to the high schools would mean that we would say to the pupils, "If you do not like this military training, do not go to school; go somewhere else; get along without an education." I do not think we want to pass legislation of that sort.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I should like to make one further observation, in view of the suggestion made by the Senator from New York to the effect that if a student did not desire to take military training he could go to some other college where it was not compulsory. The fact is that most of the State universities admit a resident student under a very low or nominal tuition; but if he enters as a nonresident, or goes to some privately maintained institution, he has to pay a very high tuition, and to many boys it would mean the difference between their being able to get a college education and having to forego it if they were to be compelled to choose between their State university and some other institution.

Mr. NORRIS. Mr. President, what the Senator says is true, but that is not the only objection. A State university,

existing under the laws of any State of the Union, gets its main sinews of life from taxation. To say to the taxpayers, "You cannot send your boys to the State university unless they study military tactics and take military training" is unfair. It is not just, as I see it, to the taxpayers.

As I have said before, the parents and the boys of a State have a pride in their State university. If parents want their boy to get a degree, or to be educated in the State university, if that is their choice, why should they not have that privilege, it being a school supported by taxation, by public money and public funds, and why should we say, "You cannot take advantage of your own school, built out of your own money, unless you will agree to have the boy undergo military training"?

Mr. COPELAND. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. COPELAND. Once more I suggest it would seem to me that we are making use of unusual power when we attempt to have the Federal Government correct an evil which the people of the State can correct. If they do not want compulsory military education in my State, or in the Senator's State, the people have the remedy; they can correct it. They can say, "We do not want compulsory military training."

Mr. NORRIS. I admit that to be true, but—and I think it is almost useless to repeat this—the truth is that a large portion of the American people, a large number of the legislatures, believe, and have believed in the years that are past, that in order to get this Federal money they must make the military training course compulsory. That is the reason I said a while ago for the RECORD while the Senator from North Dakota was speaking, that the present discussion will do a great deal of good even though the amendment shall be defeated. But if the amendment is adopted, it will show to the States that the Federal Government is not insisting upon compulsory training; that the Government is going to require of the States that they make military training elective instead of compulsory. I believe that is not an unreasonable thing to do.

#### CONSTITUTIONAL GUARANTIES AGAINST SEARCH AND SEIZURE

Mr. ASHURST. Mr. President, in our Constitution there is probably no feature around which clusters more romance or the memorials of which give us more fascinating glimpses of bygone days than the fourth and fifth amendments. In all our jurisprudence there is no other principle that has been more definitely put into position or more joyously accepted by Americans than the principle of the fourth and fifth amendments. They are intimately related; each lends strength to the other and, notwithstanding their apparent nonchalance, they sustain and protect the very essence of constitutional liberty and security. They guarantee repose and the privacies of life.

These noble amendments are as follows:

#### ARTICLE IV

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

#### ARTICLE V

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

A gentleman calling upon me once asked, "Did you ever read Lord Coke's famous maxim in Semayne's case?" to wit, "The house of everyone is to him as his castle and fortress, as well for his defense against injury and violence as for his repose." I said, "I am familiar with Coke, but that was law 1,000 years before my Lord Coke adorned the bench."

Before the English conquest of Britain the English people lived in a country now called Schleswig, a district in the



heart of the peninsula that separates the Baltic from the northern seas.

The dwellers in this particular locality were an outlying fragment of what was called the Engle or English folk, the bulk of whom probably dwelt in what was later called Lower Hanover and Eastphalia and Westphalia. These Engles in the heart of this peninsula set up their forms of government; they met in the forests, and with their loud and guttural yeas and nays, and sometimes by clashing their spears against their shields as a substitute for a viva voce vote, they adopted their laws.

One of the principles they set into positive law and adopted before Hengist and Horsa, two of their warrior leaders, landed in Britain in A. D. 449 was the provision that a man's house was his castle, and that therein he was and ought to be secure and free from unreasonable searches and seizures. So we perceive that when the Engles migrated to Britain they took with them those English fundamentals of the liberty of the citizen or subject, and they planted them deep and strong in the island of Britain.

English history may, therefore, with some degree of accuracy be said to have begun with the landing of this war band, led by Hengist and Horsa; at least this event marks the close of Roman influence in the island of Britain and the commencement of that of the Saxons, and from the very inception of Saxon or Angle influence the domicile was secured against searches and seizures.

The years glided into the centuries, and this civil polity guaranteeing personal freedom from the encroachments of tyranny was observed by most English monarchs until King John so outraged and violated the laws of his country that there occurred his quarrel with his barons. This quarrel led to one of the most famous of all conferences in the annals of English liberty, but it was really a diplomatic face saving for King John, a mere cloak to cover John's unconditional submission.

An island in the Thames River between Staines and Windsor was selected as the place of conference. The King camped on one bank whilst the barons occupied a marsh or meadow on the opposite bank called Running Mede or "Runnymede", which at various times theretofore had been a place for national assemblies. Their respective delegates met on this island, and on June 15, 1215, the Great Charter (Magna Carta) was written, adopted, engrossed, and signed.

The Great Charter in and of itself did not establish many new constitutional principles, but did distinctly mark the transition from the epoch of traditional rights, observed in the nation's memory, to the age of muniments of liberty, of written legislation, of parliaments, and statutes which were soon to come. The great reforms of past reigns were thus recognized; for example, the court of common pleas was no longer to follow the King in his meanderings over the realm, but was to sit in a fixed place.

But, say the pundits, Magna Carta says nothing about freedom from unreasonable searches and seizures. Let us examine this statement and see how much thereof is accurate.

The original and individual articles of Magna Carta, as they were prepared and offered seriatim, were written in Latin; but when the entire Carta was adopted and engrossed and was ready for the King's signature, it was written in Norman-French, and we must read it in the light of what its words meant 721 years ago.

I read paragraph 24 of Magna Carta:

No sheriff, constable, coroner, or other our bailiffs shall hold pleas of the Crown.

We must view that language in the light of what it then meant. At that time sheriffs, coroners, constables, bailiffs, and King's minions, in the guise of holding court, had been in the habit of going to the thatched cottage of the peasant and to the castle of the baron as well, to invade that cottage or castle; and these officers and minions would command that the householder open the strong box, the larder, or the pantry; they would pry open the chest in which he kept his relics, his heirlooms, his private papers, and his title deeds and muniments showing his right to occupy the premises, the penalties which these officers,

sheriffs, bailiffs, and King's minions inflicted were degrading and painful and were contrary to law.

By section 24 of Magna Carta sheriffs, constables, coroners, and other bailiffs were not allowed to hold court.

Some years after the granting of the Great Charter a doubt arose as to the precise meaning of some of its sections although it was pointed out by the lawyers of that day that the guaranties in Magna Carta were sufficient to secure the liberty of freemen; nevertheless, in the reign of Edward I, in 1297, the Confirmatio Chartarum was promulgated.

The Great Charter signed in 1215 and the Confirmatio Chartarum which was signed in 1297 must be read together; the one dealt particularly with the citizen's personal liberty and the other dealt especially with his property rights. No man since that time has succeeded in the English-speaking world, or wherever it has been pretended there was a government of law instead of a government of men, in questioning the rights of freemen as set out in these two documents.

The leading English case on searches and seizures is that of *Entick against Carrington and Three Other King's Messengers*, reported at length in Howell's State Trials. In this case officers of the law had broken in and seized books and papers belonging to the plaintiff under color of a warrant issued by the Secretary of State. Action was brought for trespass against the officers making the seizure. The defendants attempted to justify under the warrant. It was conceded that such warrants had been issued for many years and executed without question. The case was argued before a full bench, and Lord Camden, at the Michaelmas term in 1765, delivered the decision holding that such a seizure could not be justified except by a warrant issued by a court upon proper proof, and that even on a warrant issued by the secretary of state it was utterly in violation of the English common law.

This was, therefore, the law of England when our Federal convention met in 1787 to form the Constitution of the United States.

It was understood by all the Colonies to be the law.

The makers of our Federal Constitution and the framers of the first 10 amendments were never tired of quoting the immortal words of the elder Pitt, used in his speech on The Excise:

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter—but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement.

When the ratification of the Federal Constitution was pending before the Virginia convention, called to pass upon that momentous question, Virginia was a pivotal State—a diamond pivot—on which mighty events turned. Patrick Henry, who Lord Byron said was "the forest-born Demosthenes who shook the Phillip of the seas", was a delegate to the Virginia convention; and although the proposed Federal Constitution had come forth with the sanction of the revered name of General Washington and therefore justly carried with it the vast prestige which the name of Washington could not fail to attach to any proposition, Patrick Henry did not approve the Constitution and, to use his own expression, he was "most awfully alarmed", as he considered the document to be threatening to the liberties of his country—amongst other reasons because it lacked a bill of rights—and Mr. Henry challenged the view of Mr. James Madison, he of the superb intellect; Mr. Henry challenged the Wythes, the Pendletons, and the Innesses, and that splendid galaxy of scholars and statesmen who enriched the annals not only of Virginia but all America; and he demanded to know why a Bill of Rights, guaranteeing the privileges and immunities of the citizen, had been omitted from the Federal Constitution. The Virginia State convention, after a prolonged debate, was able to ratify the Federal Constitution by a majority of only 10 votes, so ably did Patrick Henry argue against it because it did not contain the Bill of Rights which English liberty had affirmed for centuries.

James Madison pledged his word that at the earliest opportunity he would use his energy toward placing into the Federal Constitution the requisite amendments guaranteeing the citizens' rights, privileges, and immunities, and as soon as the



Virginia convention had finished the work of ratification it adopted resolutions expressing its desire for the Bill of Rights, demanded by Patrick Henry. These resolutions were forwarded to the governors of the various States, and as far as men could be bound in faith and honor, as far as men could be bound in statesmanship and in politics, the amendments guaranteeing the citizen's individual rights and his liberties were by common consent agreed to, and it was generally understood that these amendments would be proposed to the States by the First Congress.

The first bill to be considered by the First Congress under the Constitution was quite naturally a bill to raise revenue to pay the expenses of the Government; but on July 21, 1789, James Madison, who was a Member of the House, arose and asked the House to indulge him in further consideration of amendments to the Constitution, and he pointed out that the faith and honor of Congress were pledged; that the faith and honor of public men everywhere were pledged to amendments securing to the citizens such guaranties as were comprehended within the first 10 amendments.

The Bill of Rights amendments were then proposed to the States, including of course the fourth and fifth, and were ratified within 2 years and 15 days. Thereafter, as far as Americans are concerned, and as far as the Constitution itself is concerned, they were and are a part and parcel of the original Constitution, as much so as if they were signed on the 17th of September, 1787, when the main instrument itself was signed.

In the case of *Boyd v. The United States* (116 U. S. 616), the opinion by Mr. Justice Bradley reviewed Lord Camden's opinion and gave a history of the fourth and fifth amendments.

I read from the syllabus:

It does not require actual entry upon premises and search for and seizure of papers to constitute an unreasonable search and seizure within the meaning of the fourth amendment; a compulsory production of a party's private books and papers to be used later against himself or his property in a criminal or penal proceeding or for forfeiture is within the spirit and meaning of the amendment.

It is equivalent to a compulsory production of papers to make nonproduction of them a confession of the allegations which it is pretended they will prove.

I call attention to the case of *Gouled v. United States* (255 U. S. 298-307). In that case a man was suspected of acts which concerned his loyalty. In such circumstances the temptation to obtain evidence by any means was great. Likewise the temptation to a court to sustain the legality of the seizure was great. Officers of the United States Army succeeded in placing a man in the defendant's establishment who purloined certain of his papers.

The Court states:

It was objected on the trial, and is here insisted upon, that it was error to admit these papers in evidence, because possession of them was obtained by violating the rights secured to the defendant by the fourth and fifth amendments to the Constitution of the United States. The fourth amendment reads:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and persons or things to be seized."

The part of the fifth amendment here involved reads:

"No person . . . shall be compelled in any criminal case to be a witness against himself."

The court comments:

It would not be possible to add to the emphasis with which the framers of our Constitution and this court in *Boyd v. United States* (116 U. S.), *The Silver Thorn Lumber Co. v. United States* (251 U. S.), *Weeks v. United States* (and various other cases cited), have declared the importance to political liberty and to the welfare of our country of the due observance of the rights guaranteed under the Constitution by these two amendments.

The effect of the decision cited is: That such rights are declared to be indispensable to the "full enjoyment of personal security, personal liberty, and private property"; that they are to be regarded as of the very essence of constitutional liberty; and that the guaranty of them is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen—the right to trial by jury, to the writ of habeas corpus, and to due process of law. It has been repeatedly decided that these amendments should receive a liberal construction so as to prevent stealthy encroachments upon or "gradual depreciation" of the rights secured by them, by imperceptible practice of courts, or by well-intentioned but mistakenly overzealous executive officers.

I conclude this address by remarking that one of the choicest fruits of our American civilization is its unlimited valuation of individual liberty and its respect for the natural immunities that accompany free men.

The plan, purpose, and object of the fourth and fifth amendments (indeed, of the first 10 amendments comprising our bill of rights) is that they preserve the liberty of the citizen against the assaults of opportunism, and the expediences to which men resort in an hour of impatience.

Sheltered and defended by the radiant standards of the fourth and fifth amendments, American liberty becomes visible and vocal, audible and actual.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 8, 10, 11, and 12 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendment of the Senate numbered 9 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

#### WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, the President of the United States sent a message to the Congress today requesting an appropriation of \$1,500,000,000 for relief. I have discussed the relief situation for a number of days. I did so as outlined in the speech delivered on the 28th day of April 1935, by the President of the United States, in which he said:

The most effective means of preventing such evils in this work-relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen. It is time to provide a smashing answer for those cynics who say that a democracy cannot be honest and efficient. If you will help, this can be done.

I am offering my help now, and I have tried to offer it for some time.

The President continues:

I therefore hope you will watch the work in every corner of this Nation. Feel free to criticize. Tell me of instances where work can be done better or where improper practices prevail.

Then the President said:

Neither you nor I want criticism conceived in a purely fault-finding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his or her Government examples of how the public money can be more effectively spent for the benefit of the American people.

I tried to do that, and I asked for an investigation of the Works Progress Administration in the State of West Virginia. Mr. Hopkins, through one of his agents, conducted an investigation. I told the Senate what I thought of it. I told about the whitewash bucket he used. Frankly, he used the whitewash brush so much that he wore it clear down to the handle, and he used a whole bucket of whitewash that he had intended to use for a number of years. If Mr. Hopkins is honest, if Mr. Hopkins has any respect for the integrity of Government itself, he cannot in any way oppose a thorough, searching Federal investigation of his own department. I am not afraid of anyone searching me for stolen goods. If I had stolen something, if I had committed a crime, I would immediately run away from an investigation. Why do those defending the Works Progress Administration feel free to say that there is no need for an investigation? The best way to disprove charges, if they are not true, is to have an investigation and prove them false. Therefore there is a necessity on the part of all of us who believe in honest administration of Government to vote for a senatorial investigation of the entire relief program.



Oh, they charge me with many things. They say that I am mad because I cannot get the patronage and that I have done these things in West Virginia.

If that is so, my critics can silence me and my critics can defeat me by calling these witnesses before a senatorial committee and proving that is the case. They dare not do it, because they cannot defend the Works Administration in its entirety.

I thought the W. P. A. was not as bad as it has been pictured in the other 47 States. I knew it was rotten, I knew it was corrupt, I knew it was extravagant in West Virginia, but I did not believe that was the responsibility of the National Government. However, when I found Mr. Harry Hopkins, the chief of the whole staff, defending it in West Virginia, I became very doubtful of the condition in the other 47 States, because if West Virginia is lily white and pure I feel sorry for the other 47 States which are not so lily white and so pure in their entirety. If those things are untrue, as Mr. Hopkins says they are all untrue, then let him get behind the senatorial investigation and prove the untruthfulness of my remarks.

Harry Hopkins may sit and wisecrack, Harry Hopkins may try to laugh it off; but if he is put under oath, he cannot deny these facts, and neither can his agents. He sent down to West Virginia a man by the name of Johnstone to investigate relief conditions. Here is a letter I received from one of the most prominent South Carolinians where Mr. Johnstone formerly resided. Let me quote from this letter:

I have also been told that there has been a pretty thorough investigation made of Richland County and conditions have been found possibly worse than those but kept in the background.

Listen to this. Here is the man who went down to make an investigation in West Virginia:

I understand that Alan Johnstone is the big boss of those counties and that his brother, T. K. Johnstone, is particularly in charge of Richland County. The padding of pay rolls seems to be one of the chief issues there.

This is the man who went down to investigate the things I charged. This letter comes from a man whose name, if I should mention it—but I shall not because he asked me to hold it confidential—is known to many Senators. Many Senators know him by his first name.

Mr. Hopkins says there is no politics in West Virginia. Let us have an investigation to prove that. He said they only found 379 official endorsements in the State. That is only six per county. I went to one place and easily found 21 endorsements from my colleague from the records in one office, not counting the other six offices in the State, and many I did not or could not see. If Mr. Johnstone and his staff could not find politics and could not find these letters, could not find these memoranda in the files of the Works Progress Administration offices in the State of West Virginia, I would advise the public utilities to employ these fellows to tell them how to get rid of their records, because the records were there and they could be found, although it has been charged that Mr. McCullough went to Huntington and took out of the records a particular letter where my colleague had requested that a man be fired because he would not go along. That has been told to me.

There is no need to repeat what I have told Members of the Senate before. Thursday I charged there was a letter written as follows, and I want to read it again:

DEAR MR. OLDHAM: I hand you herewith a list of doctors in Ohio County. Kindly separate the Democrats from the Republicans and list them in order of priority so we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.

That is signed by the Administration assistant. Here is the original letter itself saying they are going to send injured men to the Democratic doctors and directing that the doctors be listed in order of priority.

To make it more thorough, I got the original list of doctors and have it. It reads:

List of county doctors. Instructions. Democratic doctors are listed on the left-hand side and Republicans on the right.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Texas?

Mr. HOLT. I am glad to yield to the Senator from Texas.

Mr. CONNALLY. I did not have an opportunity to hear the Senator's speech some days ago. What is the trouble with this letter? What is the complaint about the letter referring to doctors?

Mr. HOLT. It is claimed there is no party politics at all, but here in this letter—

Mr. CONNALLY. If there is any patronage in West Virginia, does the Senator advocate turning it over to the Republican National Committee?

Mr. HOLT. No; I do not.

Mr. CONNALLY. What is the Senator's complaint, then, about having Democratic doctors? If the people down there want to get well, they ought to have Democratic doctors.

Mr. HOLT. My complaint is that the relief program, as President Roosevelt said, should be kept out of politics, and there should not be any danger, if a man is hurt, that he would not be able to get the doctor he wants to get.

Mr. CONNALLY. The Senator recommended, as I understand, a great many people to this administrator for appointment. Were they Democrats or Republicans?

Mr. HOLT. Who is that?

Mr. CONNALLY. The junior Senator from West Virginia.

Mr. HOLT. I named some Democrats, and I named some Republicans, because I never thought a man should be allowed to starve to death because he believes in a political doctrine different from mine.

Mr. CONNALLY. I am not talking about works jobs. I am talking about political appointments. Does the Senator from West Virginia mean to say that he split his recommendations, half Democrats and half Republicans?

Mr. HOLT. No; I did not say half Democrats. I said a number of Republicans, and I am not ashamed of it.

Mr. CONNALLY. Did the Senator get any appointees on the W. P. A. works?

Mr. HOLT. The few I did get have been discharged since I made my talk on the floor of the Senate. [Laughter.] I should like to demonstrate that from the Parkersburg Sentinel, a Democratic paper, where the headline reads:

Fire all Holt men from W. P. A.

That was March 12, 1936.

Mr. CONNALLY. I am not interested in West Virginia at all.

Mr. HOLT. I understand that.

Mr. CONNALLY. I am interested in the attitude of the junior Senator from West Virginia when he was talking about the Works Progress Administration and about the appointment of doctors.

Mr. HOLT. I say it has come to a pretty plight when politics should be taken into consideration in the treatment of a man who is injured.

Mr. CONNALLY. I did not understand that the politics of a man injured was under consideration.

Mr. HOLT. The politics of the man who treats him was under consideration. Why should there be any politics in the question of choosing a doctor?

Mr. CONNALLY. If I had two doctors and both of them were good doctors, and one was a Democrat, and I had a Democratic job to fill, I would be pretty sure to give the job to a Democrat. I thought that was the attitude of the Senator from West Virginia.

Mr. HOLT. I am glad the Senator admits there is politics in West Virginia.

Mr. CONNALLY. It is not politics so far as I am concerned. I was talking about the appointments which the Senator from West Virginia may have gotten—some appointments on the W. P. A.

Mr. HOLT. I am ashamed I had anything to do with it.

Mr. CONNALLY. The Senator from Texas has not endorsed anybody and has not had anybody put on the W. P. A. payroll. The Senator from West Virginia seems to take the attitude that it ought to be political, and I understand



he recommended a lot of people, and then when they lost their jobs he thought it ought not to be political any longer. [Laughter.]

Mr. HOLT. The Senator from Texas hit the nail on the head when he said Democratic doctors should be employed; that Democratic people should be employed; and that a man with a broken leg should be permitted to starve to death if he could not get a Democratic doctor; that if he broke his leg he should have to wait until a Democratic doctor could come and set it.

Mr. CONNALLY. I hope the Senator from West Virginia wants to be fair.

Mr. HOLT. I have been very fair with the Senator from Texas.

Mr. CONNALLY. Does the Senator mean what he said?

Mr. HOLT. I do mean just what I said.

Mr. CONNALLY. Does the Senator mean to say if a man were seriously injured the Senator from Texas would rather let him die than have a Republican doctor?

Mr. HOLT. From the past record of the Senator from Texas, I believe he would. [Laughter.]

Mr. CONNALLY. Of course, the Senator from West Virginia knows all about the past record of the Senator from Texas?

Mr. HOLT. No; it would take me too long to study it.

Mr. CONNALLY. I thought the Senator knew all about it. I was not trying to embarrass or heckle the Senator from West Virginia. I did not have an opportunity to be present when his other speeches were made, and I was anxious to know his attitude with regard to that matter.

Does the Senator think it is quite fair to attack the administration—for this is the administration? This is the President's responsibility. The legislation we enacted turned this matter over to President Roosevelt. He detailed certain people to carry it into effect. Why does not the Senator take it up with the President? Why should he go to the men responsible for the W. P. A. in West Virginia? What good does it do to take it up with people in West Virginia? Why does he not take it up with the President? Has the Senator ever talked with the President about it?

Mr. HOLT. I have not talked with the President about it. I have talked to Mr. Harry Hopkins, who has defended his administration. I will say that if Mr. Harry Hopkins were to swear to the things he put in his report about West Virginia he could be found guilty of perjury.

Of course, there is no politics about it at all when the president pro tempore of the State senate was put in as financial director of the Progress Administration in the Parkersburg district. His salary was cut to \$2,400 when every other finance director in the State of West Virginia drew \$2,900, because my colleague distinctly told him in the reception room out here that he would not tolerate him getting more than \$200 a month because he did not vote for a certain one as president pro tempore of the State senate, and I challenge him and I can produce an affidavit.

The PRESIDING OFFICER. Senators will please be in order.

Mr. HOLT. I have been trying to get order in the W. P. A. for a long while.

Now, let me go ahead and say this:

There has developed in West Virginia a reign of terror, in this way: If John Jones or Bill Smith makes any complaint in any way, of any political nature whatever, he is dismissed from his job. He is demoted from his duty. He is forced out of the organization. They went so far in the Parkersburg district, which is my home district, as to go down and fire a colored messenger, who drew around \$60 a month, because he had come from my home city and had been a friend of mine. Why is it that these men who were appointed in that district have been thrown out since I made these charges public? If these men were inefficient before, the responsibility lies upon the State administration that they should have been dismissed before the attack was made. If these men are efficient, why should they be discharged because of any speech I might make?

Let me repeat that: If the men were inefficient, they should have been discharged a long time ago. If they were efficient, why should they be made to suffer because of any attack I might make?

I can name the instances of quite a number of men who are absolutely the sole support of their families who have lost their jobs because of personal friendship to me in this particular fight.

I will tell you how far the W. P. A. goes. You know, the utilities could learn from the W. P. A. organization in West Virginia, because when the W. P. A. was set up they went down to Fairmont, to the managing editor of the Fairmont Times, Sutton Sharp, who was on the pay roll of the Fairmont Times, who the directory of Fairmont will show was the managing editor of the Fairmont Times, and they put him on the W. P. A. pay roll at \$2,100 a year, I think. I think that is the figure. He is getting that salary at the same time that he is editor of the paper. He does his duty as editor of the paper, and draws \$2,100 as liaison officer in that particular thing. Oh, no; they did not want to control the press at all.

They go down to Morgantown and get the editor of the Morgantown Dominion News—and they are the only two daily papers in the whole State of West Virginia, Democratic or Republican, that I have seen, that have defended the W. P. A. This is the way they defend it: They go down and get Bill Hart, who is editor of the Morgantown Dominion News, and allow him, with a committee of two others, to pass on applicants for Monongalia County. If you will look at last Thursday's Record, you will see his name. He says it is terrible that I should have attacked the W. P. A. It is terrible because I pulled the curtain, and behind it he was helping to manipulate the scenes.

They are the two papers that are defending the W. P. A. The editor of one is in charge of the committee, and the managing editor of the other is on the pay roll; and not only did they seek to control the press, but they went and got George Gow, a radio announcer who works for station WMMN, and put him on the pay roll at a figure approximately around \$3,000 a year, I understand, and every night he gives a news report. He is known as Robert's News Reporter, and in the past 3 weeks he has been telling about the attack I am making on the W. P. A. No wonder; he is drawing part of his salary from the W. P. A., and \$3,000 is not a bad salary.

Not only have they done that in West Virginia but they learned from Mr. Harry Hopkins. You know I referred to him the other day as "Cockey Harry, the wisecracker of the administration." Here is what he has done: We find that he has set up an organization there to give out press statements. Do you know how many men he has employed down there just to tell how big a man Harry Hopkins is? The New York Times said last Sunday that between 250 and 300 men were employed down there in the W. P. A. to give out news releases about Harry Hopkins and the W. P. A. Now, think of that—from 250 to 300 men to tell these boys up in the press gallery what they ought to write about the W. P. A., and give them "canned" statements! Oh, of course, they would not want to control the press at all. No; they are doing that, you know, "as a means of public relation", so that you can find out anything about the W. P. A. If I would go down there, I could not find out the number of a project, because they said I should get the information otherwise.

All right. Now, let us go a little bit further.

When I hold this up, this is no boondoggling thing at all. This is not a boondoggling scheme of Harry Hopkins. This is just a group of editorials from the Nation's leading papers about the famous whitewash that Harry Hopkins had in regard to the death of the veterans down on the Keys in Florida. You know what the veterans' convention said about this. Hopkins sent his own men down there, and they came back and said, no; there was nothing wrong. This is just a group of editorials that I intend to speak on a little later; not this afternoon but a little later in the course of the session.



Not only that but Harry Hopkins has asserted that my charge about the wire was ridiculous; the charge that this famous piece of wire, that I am going to show you, cost \$38.75 a foot, was ridiculous.

Mr. President, I frankly admit that Harry Hopkins told the truth. It is ridiculous, it is more than ridiculous, that we should pay \$38.75 a foot for that wire. Here is a piece of wire of which it would cost approximately \$93,000 to put three strands around an acre lot. If anyone wants to see it, I have brought along with me a photostatic copy of the actual purchase order. Anyone can see where they bought it, and who signed for it. I admit that Mr. Hopkins' statement is correct. It is more than ridiculous. Of course, he can put plenty of baled-hay wire around this, but he cannot cover up the affair.

All right. Now, let us go a little bit further into the charges and see if they are not true.

Mr. Hopkins said that the district attorneys have nothing to do with the naming of political patronage. May I refer to a letter of March 4, from the district attorney of southern West Virginia? Here is what he writes to me. You know, they charged him with naming all the patronage; and here is what he said:

I think I can safely say that fully one-half, and I think much more than one-half, of the appointments made in the Huntington office have been made without my recommendation.

He did not name all of them; he just named half of them for the whole district of West Virginia. Here is an actual, original letter he sent to me.

Here is a letter from the district attorney of northern West Virginia, where a man was an applicant for a job. He was told to come in and see the district attorney, and he would see if he could place the man or not. I read from a letter of October 23, as follows:

I understand that the airport project in Harrison County, just east of Bridgeport, will get under way in the course of the next week or 10 days, and will probably last about a year.

If you think that the work would not be too far away for you, I would like to know if you would be interested in a position as timekeeper at the project, so that I can recommend you for that post.

Sincerely yours,

HOWARD L. ROBINSON.

And the man had no connection with him; he never went to Howard Robinson. How did Howard Robinson get his name? He says there is no politics!

Let me quote now from the personnel director of the Fairmont district:

The time to correct mistakes is before they are made, if possible. Consequently, we do not want anyone on these jobs who is not right. The hundreds of applications going in should be taken around to the designated leaders in each county and sorted.

I do not know what they mean by "sorted", but you can imagine.

Then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

What do they mean by "the next year"? Well, you can understand.

Here is what he says, further:

Since the requisitions for labor so far have been made up in this office, we have, since this happening in Brooke County, religiously placed as foremen and timekeepers on the projects the names of men suggested by our advisers.

And then he tells about putting certain ones on and kicking certain ones off.

Now, I want to go further and tell you about another charge I have made.

I charged that the administration of the Works Progress Administration in the State of West Virginia is extravagant and reckless with the people's money. They have built a huge system. On top of this system is a State machine. Under the State machine is a district machine. Under the district machine is an area machine. Under the area machine is a county machine. Under the county machine is a project machine. All those boys have to be paid before the man with the pick and shovel gets a penny; and when

there is any shortage of funds, or any running out of money, you do not see those men losing their jobs. They put out John Jones and Bill Smith, at the bottom.

Look at the number of projects closed down in West Virginia, and you will see that the first men who lost their jobs are the men down in the pick-and-shovel class, for whom the relief act was meant. They are the ones who lost their jobs, not the fellows up at the top. It was the man down at the bottom who had to pay the cost. Here are people begging, asking for the right to live, and farmers with large farms, merchants, and professional men are put on as timekeepers and foremen, at pitiful sums of \$100 and up. This keeps some poor fellow down the line from getting employment in the State of West Virginia.

I told you a few days ago, and I am going to repeat it now, that in one \$90,000 project in Cabell County there were 64 bosses. I have the names of the bosses here with me to show anyone who cares to challenge that statement. There are two pages of it—64 bosses on a project of \$90,000!

I named a number of others of those projects. I showed where a man who promised to do right by the political set-up was put on. Now, something must be done about that; and if these charges are not true, why not have a Senate investigation and prove them untrue? Why not bring them out in the open and prove that I am not telling the truth? That is the way to dispute my argument. I defy them to bring out the facts as they were.

Here is an order that I will read. Those who are "on the draw" in West Virginia are told to believe the W. P. A. is all right. Here is an order from the State administrator, through his deputy, to the district director and to the people at work:

Information has reached this office that on Saturday afternoon, March 14, from 2:30 to 3 p. m., Mr. Harry L. Hopkins will broadcast over the Columbia network on the subject "Discussing the W. P. A. Program."

It is suggested that you publicize this information throughout your entire administrative and field forces. I am sure we will all hear something which will be of considerable value and benefit to us in our work.

In other words, these people had to quit their work and listen to Harry Hopkins for 30 minutes. He has wasted millions of dollars of the taxpayers' money; now he is wasting the time of the employees of the W. P. A. and has them listening to what a great man Harry Hopkins is. Read his speech in New York, and it will be found that he said that Harry Hopkins did this and Harry Hopkins did that and Harry Hopkins did something else. It is time that someone else in that organization was doing something. There is too much on his shoulders, if he has done all the things his publicity crowd have said he has done. The people want something to eat. They do not want Harry Hopkins' wisecracks in my State, and they are going to prove that when election time comes.

Being connected with the W. P. A. in West Virginia is like having leprosy. Everyone stays away from it. Of course, the W. P. A. leprosy is a disease that is getting under cover and is being spread only because of contact with those affected. Running for Governor. There is a man to run for the United States Senate, and it is even going deeper than that. There is a foreman and timekeeper running for constable, someone running for assessor, or running for county court, or running for the legislature, telling the men, "We all work for the W. P. A. You know we have to keep this organization together." Then there are officers running for the State legislature. I can name the men if I am called before a senatorial committee, and I will tell just what they have done.

Oh, of course, they are rewarding the men properly. Senators will remember my colleague reading a telegram, when he spoke on the floor of the Senate a number of days ago, from Robert Roth, of Fairmont, in which Roth said there was no politics and praised the W. P. A. administration.

Mr. Roth has been paid well. Since he sent that telegram he was put on the pay roll again under the W. P. A., as district director of the Parkersburg district, at \$3,200 a year.



That telegram was certainly a valuable one for Mr. Roth. Of course, there was no politics behind it at all.

Those who brought in information have been given increases, and those who told have been decreased. They just found out they needed decreases in the Parkersburg office, and they found they needed increases elsewhere.

They have started so many projects that one man in West Virginia said he is getting tired of going up the street and barking his shins on the uncompleted projects of the W. P. A. They have dug holes that are not finished. They start projects and do not complete them. They start work on streets and sidewalks, and there is no money left because the "brass hats" up at the top get it.

Mr. President, is it not time we were getting to some permanent policy of spending? We spend hundreds of millions and billions of dollars and where are we? Are we any better off in solving the relief program in 1936 than we were in 1933?

We find that in 1934, 12,420,000 people were out of employment. We find that in January 1936, 12,626,000 were out of employment. Two hundred and six thousand more people were out of employment in January of this year than were out of employment in March 1934.

Is it not time, when we are spending billions of dollars, to adopt some permanent policy of relief and some permanent policy of spending the taxpayers' money? Is not the way to do that to have an investigation of the R. F. C., the C. W. A., the F. E. R. A., the W. P. A., and all the other alphabetic agencies affecting relief, so that we can in the future, when we appropriate money, get the benefit of an investigation?

The only investigation that has been made of the W. P. A. or any other relief agency in West Virginia, or in any other State, has been made by Harry Hopkins or one of his appointees. It is high time that the Senate of the United States, spending billions of dollars, has a right to see where this money goes and a right to see what they are doing with the money.

Let us wipe out this red tape they are following. Let me tell the Senate of one of their famous rules. If a man was not on relief on the 1st day of May 1935, he can starve to death in March 1936, but if a man was on relief in May 1935, and was put on the W. P. A. pay rolls, and inherits a lot of money, he can be kept on the W. P. A. rolls. Let us make our relief policy apply to the United States as it is affected in March 1936, and the future, and not at any other time. Relief should be determined by the relief needs today, not by the relief needs in 1935.

Let me give an example taken from one community in my State. There was a factory in that community which employed a number of men. These men worked, and they went to work day after day. The plant burned down, and because those men were not on relief in May 1935 they cannot get any W. P. A. work in 1936. What are they to do? Such a policy is destroying the initiative of people to go into private employment, because they realize that if they quit the W. P. A. they cannot get back on the W. P. A. pay roll. Is it not time we were opening their eyes? Is it not time to get to some permanent policy of relief, with 12,500,000 people unemployed, instead of turning over billions and billions of dollars to "Wisecracker Harry" to spend, to give out in allotments as he desires?

Many are fearful of Harry Hopkins' wrath and fearful of his striking down projects within their States. In other words, if any Senators say anything, Harry Hopkins has the power to stop a project in the Senator's State, and the State suffers. I know they do it in our State. I know that projects which have been started have been stopped. Sometimes it was political redress against certain people.

The fact that so many people are unemployed, the failure to complete our projects, the fact that we need some permanent policy for the future mean that we need a senatorial investigation, not by Harry Hopkins' men, not by Alan Johnstone, not by those who always put the blame on someone else.

Harry Hopkins has two famous excuses if there is anything wrong. One is that it is the result of an act of God;

the second is that it is the fault of some dumb politician. I do not know how wide a latitude he wants, but those are the two famous expressions of Harry Hopkins. It is either some dumb politician or an act of divine Providence.

I have made charges, and I expect to repeat them and to continue to repeat them until they are cleaned up, and if they are not exposed it is a sign that someone is trying to cover up something. There is no danger in looking at the sunlight. The sunlight destroys disease, and the W. P. A. is suffering from a political disease. The expenditure of billions of dollars by "Wisecracker Harry", or "Cocky Harry", will not satisfy starving American people, and it is our duty to look into the real problem of unemployment and into the policy of spending the taxpayers' money.

#### PAYMENT OF CERTAIN CLAIMS FOR DAMAGE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2603) to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case, which were to strike out all after the enacting clause and insert:

That the Attorney General of the United States may consider, adjust, and determine any claim accruing after January 1, 1934, on account of damages to any person or damages to or loss of privately owned property, caused by the Director, any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment, and such amount as may be found due to any claimant, not exceeding \$500 in any one case, shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That this authorization shall not be construed to apply to cases of persons in the employ or service of the United States while acting within the scope of such employ or service: *Provided further*, That no claim shall be considered under this act unless presented to the Attorney General within 1 year from the date of the accrual of said claim; except that any claim accruing between January 1, 1934, and the date of the approval of this act may be presented within 3 months after the date of such approval: *And provided further*, That acceptance by any claimant of the amount determined to be due him under the provisions of this act shall be deemed to be in full and final settlement of such claim against the Government of the United States.

And to amend the title so as to read: "An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation."

Mr. KING. I move that the Senate concur in the amendments of the House.

Mr. ROBINSON. Mr. President, what is the amendment?

Mr. KING. Mr. President, as the Senate passed it, Senate bill 2603 gave the Attorney General power not only to ascertain, but to pay certain claims which came under his cognizance up to \$500. The House amended the bill so as to provide that he could ascertain the amount of any claim, and then certify the same to the Congress for payment. We believe that is the wiser course to pursue.

Mr. ROBINSON. So that the Congress will have the opportunity of passing upon the matter finally?

Mr. KING. The language is that it "shall be certified to Congress as a legal claim."

Mr. ROBINSON. What classes of claims are embraced in the bill?

Mr. KING. Claims "on account of damages to any person or damages to or loss of privately owned property, caused by the Director, any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment." Many of the Federal agencies and departments are authorized to pay claims up to \$500.

Mr. ROBINSON. I was just about to say that I recall that the War Department is authorized not only to adjust but to pay claims up to that amount. What is the ground for the distinction made in this instance?

Mr. KING. The House committee went into the matter very carefully and amended the Senate bill, and the Attorney General has approved it.

Mr. ROBINSON. The Senator himself is satisfied that it is a proper amendment?



Mr. KING. Yes.

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah, which is that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

#### INDEPENDENT OFFICES APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 9863, the independent offices appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,

March 18, 1936.

Resolved, That the House recede from its disagreement to the amendments of the Senate nos. 7, 8, 10, 11, and 12 to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate no. 9 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Cong.), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of lawbooks, books of reference, periodicals and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head 'Payments for Agricultural Adjustment' in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Cong.); to be immediately available and to remain available until June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item."

Mr. McKELLAR. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 9.

Mr. ROBINSON. Mr. President, I think the Senator should explain the amendment in which concurrence is asked.

Mr. McKELLAR. I shall be glad to do so. I think it would be well for the clerk first to read the amendment of the House to the amendment of the Senate numbered 9, and then such questions as may be asked will be answered.

The PRESIDING OFFICER. The clerk will read the amendment of the House to the Senate amendment.

The LEGISLATIVE CLERK. In lieu of the matter inserted by Senate amendment numbered 9, it is proposed to insert the following:

Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Cong.), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of lawbooks, books of reference, periodicals and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head "Payments for agricultural adjustment" in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Cong.); to be immediately available and to remain available until June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item.

Mr. McKELLAR. Mr. President, I will explain the principal changes. After the words "To enable the Secretary of Agriculture to carry into effect the provisions of", the words "sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act" were added by the House. It is now proposed that the Senate agree to that change. The lan-

guage was inserted to make the provision specific. It was largely a question of verbiage.

In the first proviso the date was changed to "June 30, 1938", instead of June 30, 1937." The language now is:

June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937.

Mr. KING. Mr. President, I shall be glad to have further explanation in regard to this matter. I should like to know whether the amendment authorizes increased expenditures; whether it extends the period within which payments may be made. In other words, what are the distinctions?

Mr. McKELLAR. The principal difference is that the House amendment extends the period to 1938 instead of 1937.

Mr. KING. Why?

Mr. McKELLAR. Because it was thought to be absolutely necessary in order to carry out the purposes of the act referred to in the amendment. I will say to the Senator that there is no more money provided by the amendment. There have been no changes in those provisions of the bill. I have stated the principal differences between the provision as adopted by the Senate and what is now proposed by the House.

Mr. KING. Mr. President, does the Senator object to having the conference report go over until tomorrow to give us a chance to examine it?

Mr. McKELLAR. Mr. President, ordinarily I would not; but, as everyone knows, the President is going out of town tomorrow. The matter should, therefore, be acted upon today, in order that the bill may be placed in his hands tomorrow. It is a very important measure. In order to be really effective the bill will have to go into effect immediately. I hope the Senator will not ask that the amendment go over. If we do not take action upon it this afternoon, the President will either be delayed in making his trip or the bill cannot become effective immediately.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ROBINSON. I concur in the suggestion of the Senator from Tennessee that final action on the bill should be disposed of today. I hope the Senator from Utah will not object.

Mr. KING. I want to ask the Senator again to explain—and perhaps I find it necessary because of my unfamiliarity with all the details of the bill and its many ramifications—just what the effect is of the extension of the period?

Mr. McKELLAR. It gives another year in which to carry out the purposes of the act which has been passed.

Mr. KING. In the meantime, what becomes of the act?

Mr. McKELLAR. The act is in full force and effect, of course. It just adds to the time during which it can be carried out.

Mr. KING. The act, as I understand it, is a continuing act.

Mr. McKELLAR. Yes; but there is not a continuing appropriation. The amendment makes the language dealing with the appropriation conform absolutely to the act as passed by the Congress.

Mr. ROBINSON. It does not increase the amount of the appropriation, but merely gives more time for the application of the fund.

Mr. McKELLAR. Yes; and it makes the appropriation here granted conform with the terms of the act of Congress which has already been passed.

Mr. KING. I think with that explanation I shall not ask for delay. I am opposed to the measure, and I shall, of course, vote against the motion.

The PRESIDING OFFICER. The question is on concurring in the amendment of the House to the amendment of the Senate no. 9.

The amendment of the House to the amendment of the Senate no. 9 was concurred in.

#### WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and nonmili-



tary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. COPELAND. Mr. President, I do not want Senators to get the idea that we are near the close of the afternoon session. We are going to have a roll call in a moment and have many Senators here.

I yield to the Senator from Utah.

Mr. KING. I shall submit but a few sentences in regard to the amendment offered by the Senator from North Dakota. I shall vote for the same, although it is not quite in the form that I desired. In supporting the amendment I do not mean to indicate that I am opposed to all military training; indeed, there are some advantages to be derived by young men from proper and reasonable military training. My position in part is reflected by the course which I pursued with respect to my son who, 2 years ago, attended the public schools here in Washington. A few hours each week were devoted to military drill. It was his desire to take part in the class drill and to receive such instructions as were imparted. I approved of his view and believe that he was benefited from the instructions received. I am opposed, however, to compulsory military training, though I concede that there are some advantages from a physical standpoint, if not from a moral and health standpoint, in receiving reasonable military discipline and training. It is the compulsion that I object to.

I doubt the power of the Government to compel military training in private or public schools. Certainly, it ought not to attempt to exercise such power in peacetimes, and particularly when there are no imminent threats of war. In case of war an individual may be required to give not only property but life in the defense of his country and flag. Even then certain exceptions may be made in behalf of individuals or groups. The views of the fathers and mothers, as well as those who enter schools, should be respected in the matter of military training and military discipline; and, as I have stated, no compulsory system should be inaugurated or maintained.

I do not think the confused conditions existing in Europe, or the military activities in the Orient, should influence us in abandoning a policy under which our Nation has grown and become a liberal and democratic force in the world. This Republic stands for peace and world order; for a spirit of brotherhood and good will. It should not be frightened from a sane and wise course by the cries of militarists or by the eloquent or violent appeals of those who contend that world conditions demand unprecedented expenditures and the adoption of military plans of such magnitude as may or will engender fear or apprehension upon the part of other nations.

Mr. President, I make no criticism of the work of the R. O. T. C. in the schools. From all that I can learn, benefits have been derived by many young men, but I can only repeat that, in voting for the amendment, I am merely registering my opposition to a policy of compulsory military training.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. FRAZIER].

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list of higher educational institutions having courses in military training. The list was prepared by the War Department April 20, 1935. I notice that the institutions designated with a star have elective courses, and those without that designation have what are termed the compulsory feature.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

#### HIGHER EDUCATIONAL INSTITUTIONS HAVING COURSES IN MILITARY TRAINING

(WAR DEPARTMENT LIST, APR. 20, 1935)

(Insofar as information is obtainable as of August 1935 all institutions where courses are elective are starred)

Akron, University of.  
Alabama Polytechnic Institute.  
Alabama, University of.  
Albany Medical College.

Arkansas, University of.  
Arizona, University of.  
\* Boston University.  
\* Buffalo, University of.  
California, University of Berkeley.  
California, University of, at Los Angeles.  
\* Carnegie Institute of Technology.  
\* Chicago, University of.  
\* Cincinnati, University of.  
Citadel, The.  
Clemson Agricultural College.  
Coe College.  
\* College of City of New York.  
Colorado State College of Agriculture and Mechanic Arts.  
Colorado School of Mines.  
Connecticut State College.  
Cornell University.  
Creighton University, The.  
\* Davidson College.  
Dayton, University of.  
Delaware, University of.  
Drexel Institute.  
Florida, University of.  
\* Fordham University.  
\* Georgetown University.  
\* George Washington University Medical School.  
Georgia School of Technology.  
Georgia, University of.  
\* Gettysburg College.  
\* Harvard University.  
Hawaii, University of.  
Howard University.  
Idaho, University of.  
Illinois, University of.  
Indiana University.  
Iowa State College of Agriculture and Mechanic Arts.  
Iowa, State University of.  
\* Johns Hopkins University.  
Kansas State College of Agriculture and Applied Science.  
\* Kansas, University of.  
Kentucky, University of.  
\* Knox College.  
\* Lafayette College.  
Lehigh University.  
Louisiana State University.  
Maine, University of.  
Maryland, University of.  
Massachusetts State College.  
Massachusetts Institute of Technology.  
\* Michigan College of Mining and Technology.  
\* Michigan State College of Agriculture and Applied Science.  
\* Michigan, University of.  
\* Minnesota, University of.  
Mississippi State College.  
Missouri School of Mines.  
Missouri, University of.  
Montana State College of Agriculture and Mechanic Arts.  
Montana, University of.  
Nebraska, University of.  
Nevada, University of.  
New Hampshire, University of.  
New Mexico College of Agriculture and Mechanic Arts.  
New York University.  
North Carolina State College of Agriculture and Engineering.  
North Dakota Agricultural College.  
North Dakota, University of.  
North Georgia College.  
North Pacific College of Oregon, School of Dentistry.  
\* Northwestern University Dental School.  
Norwich University.  
Ohio State University.  
Oklahoma Agricultural and Mechanical College.  
Oklahoma, University of.  
Oregon State College.  
Oregon, University of.  
Ouachita College.  
Pennsylvania Military College.  
Pennsylvania State College.  
\* Pennsylvania, University of.  
\* Pittsburgh, University of.  
\* Pomona College.  
Presbyterian College.  
\* Princeton University.  
Puerto Rico, University of.  
Purdue University.  
Rhode Island State College.  
Ripon College.  
\* Rose Polytechnic Institute.  
Rutgers University.  
St. Louis University School of Medicine.  
South Dakota State College of Agriculture and Mechanic Arts.  
South Dakota, University of.  
\* Stanford University.  
\* Syracuse University.  
Tennessee, University of.  
Texas College of Agriculture and Mechanic Arts.  
Utah State Agricultural College.  
\* Utah, University of.  
Vermont, University of, and State Agricultural College.



Virginia Agricultural and Mechanical College and Polytechnic Institute.

- \* Virginia, Medical College of.
- Virginia Military Institute.
- Washington State College.
- Washington, University of.
- \* Western Kentucky State Teachers' College.
- Western Maryland College.
- West Virginia University.
- \* Wichita, Municipal University of.
- Wilberforce University.
- \* Wisconsin, University of.
- \* Wofford College.
- Wyoming, University of.
- \* Yale University.

NOTE.—The War Department list includes Cornell University Medical College, Harvard Medical School (1932), Jefferson Medical College, Vanderbilt University School of Medicine, and Western Reserve University, but the military training courses have been dropped by these institutions in 1935.

Mr. FRAZIER. Mr. President, when I was talking a short time ago, I neglected to quote a paragraph which I had intended to quote from one of the college students who had written an editorial with regard to compulsory military training. It is from Elmer J. Lewis, who received second prize. He is a student at Riverside Junior College, Riverside, Calif. He makes the statement:

In a bulletin published by Scabbard and Blade, the national R. O. T. C. honorary fraternity, the following is said of the late and much-beloved Jane Addams:

"For the past 20 years her efforts have been directed to international and subversive channels until today she stands out as the most dangerous woman in America."

That, it seems to me, shows the attitude of the military group that favors compulsory military training.

This young man says further:

Compulsory military drill is especially unfair to those members of an ever-increasing number of churches that have renounced the entire war system and preparation for it. Let us have an America that is tolerant of the religious views of others.

Mr. President, I hope we may have a record vote on this amendment. It is to some of us very important, and there is a great deal of interest being taken in regard to it. If the Senate is ready to vote, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BENSON. Mr. President, before the vote is taken I should like very briefly to answer a statement made by the Senator from Georgia [Mr. RUSSELL] a few moments ago, when he said that he was not quoting from any record of the War Department regarding a poll which had been had concerning the attitude of young men who had taken military training in various schools of the country. It is very true he was not quoting from any record made by the War Department or from any poll taken by the War Department regarding that matter; but he might have said that the poll was taken by Major Bishop and that the necessary money was furnished by an organization interested in military training. He might also have said that the poll was not taken of students taking courses or having taken courses in military training at land-grant colleges, where such courses are maintained, but that it was taken of the graduates of the R. O. T. C.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. BENSON. Yes; I yield.

Mr. RUSSELL. I may say to the Senator from Minnesota that I stated distinctly that the poll was taken of graduates of schools which had R. O. T. C. units. I made that statement, and the RECORD will bear me out.

Mr. BENSON. That is entirely different from the subject we have under discussion. We have under discussion whether or not we are going to permit the land-grant colleges to insist upon military training of all male students attending such colleges, and not whether or not they are going to join R. O. T. C. units for the purpose of receiving commissions in the Reserve Corps. That is an entirely different question and an entirely different subject, and should not be brought in here. I wanted to make that clear.

Furthermore, Mr. President, it seems to me that the present administration, which at this time is stressing very decidedly

the need for economy, might very well show a little economy in regard to the money expended in the training of men in preparation for military service; and in doing that they might establish, we will say, one additional school similar to West Point and train officers there who will come out prepared actually to be in service to the country in case of attack by a foreign foe, rather than impose such military training upon those who are unwilling to accept it at the various land-grant colleges and State universities throughout the United States.

Mr. COPELAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Reynolds
Bachman	Davis	Logan	Robinson
Bailey	Dickinson	Loneragan	Russell
Barbour	Donahay	Long	Schwellenbach
Barkley	Duffy	McAdoo	Sheppard
Benson	Fletcher	McGill	Shipstead
Bilbo	Frazier	McKellar	Steiger
Bone	George	McNary	Thomas, Utah
Brown	Gerry	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Guffey	Minton	Vandenberg
Burke	Hale	Moore	Van Nuys
Byrd	Harrison	Murphy	Wagner
Byrnes	Hatch	Neely	Wheeler
Capper	Hayden	Norris	White
Caraway	Holt	O'Mahoney	
Carey	Johnson	Overton	
Clark	Keyes	Pittman	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I understand if he were present he would vote as I intend to vote. Therefore I feel at liberty to vote. I vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). On this question my colleague the junior Senator from North Dakota [Mr. NYE] is paired with the junior Senator from Florida [Mr. TRAMMELL]. Both these Senators are unavoidably absent. I understand, if present, the junior Senator from Florida [Mr. TRAMMELL] would vote "nay." If my colleague were present, he would vote "yea."

The roll call was concluded.

Mr. LEWIS. I announce that my colleague the junior Senator from Illinois [Mr. DIETERICH], if present, would vote "nay."

I also announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. TRAMMELL] are detained on account of illness; and that the Senator from Alabama [Mr. BLACK], the Senator from Virginia [Mr. GLASS], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

The Senator from Massachusetts [Mr. COOLIDGE] the Senator from Oklahoma [Mr. THOMAS], the Senator from Oklahoma [Mr. GORE], the Senator from Nevada [Mr. McCARRAN], the Senator from Maryland [Mr. TYDINGS], and my colleague the junior Senator from Illinois [Mr. DIETERICH] are unavoidably detained.

Mr. HATCH. I announce that my colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

Mr. SHIPSTEAD (after having voted in the affirmative). The senior Senator from South Dakota [Mr. NORBECK] is necessarily absent. I am informed that if present he would vote as I have voted. I transfer my pair with the senior Senator from Virginia [Mr. GLASS] to the senior Senator from South Dakota [Mr. NORBECK], and allow my vote to stand.



The result was announced—yeas 18, nays 59, as follows:

## YEAS—18

Benson	Costigan	McGill	Shipstead
Bone	Frazier	Murphy	Thomas, Utah
Bulow	Holt	Neely	Wheeler
Capper	King	Norris	
Clark	La Follette	Pope	

## NAYS—59

Adams	Connally	Johnson	Pittman
Ashurst	Copeland	Keyes	Radcliffe
Austin	Davis	Lewis	Reynolds
Bachman	Dickinson	Logan	Robinson
Bailey	Donahey	Loneragan	Russell
Barbour	Duffy	Long	Schwellenbach
Barkley	Fletcher	McAdoo	Sheppard
Bilbo	George	McKellar	Steiwer
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Maloney	Truman
Burke	Guffey	Metcalf	Vandenberg
Byrd	Hale	Minton	Van Nuys
Byrnes	Harrison	Moore	Wagner
Caraway	Hatch	O'Mahoney	White
Carey	Hayden	Overton	

## NOT VOTING—19

Bankhead	Couzens	McCarran	Thomas, Okla.
Black	Dieterich	Murray	Trammell
Borah	Glass	Norbeck	Tydings
Chavez	Gore	Nye	Walsh
Coolidge	Hastings	Smith	

So Mr. FRAZIER's amendment was rejected.

Mr. COPELAND. Mr. President, I ask the attention of Senators to the amendment on page 71, lines 17 and 18, relative to the Soldiers' Home, where the words "the accounts for which to be audited and settled as the Secretary of War shall direct" were inserted. I find this language is really legislative. It should have been so stated to the Senate at the time the amendment was considered. On further investigation, it seems desirable to omit the language from the bill. Therefore I ask unanimous consent that the vote by which the amendment was adopted may be reconsidered with a view to moving that the amendment be rejected.

The PRESIDING OFFICER. Is there objection to the reconsideration of the vote, as requested by the Senator from New York?

Mr. JOHNSON. Mr. President, I desire to know simply as a matter of information what it is the Senator from New York is asking to reconsider.

Mr. COPELAND. Is has to do with the auditing of the accounts of the United States Soldiers' Home. It has been found that the amendment is legislation and doubtless should not be included in the bill. Therefore I have asked to reconsider the vote by which the amendment was adopted.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered.

Mr. COPELAND. I now ask that the amendment be rejected.

Mr. POPE. Mr. President, may I ask what the amendment is?

Mr. COPELAND. It has to do with the auditing of the accounts of the Soldiers' Home.

Mr. McKELLAR. On what page is it?

Mr. COPELAND. On page 71.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. COPELAND. I ask unanimous consent that the clerks be authorized to correct the totals and section numbers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRAZIER. Mr. President, I ask unanimous consent to reconsider the vote by which the committee amendment on page 76, striking out the last paragraph of the bill, section 4, was agreed to on day before yesterday. I ask that because I have received what seems to me quite definite information which rather contradicts the argument which was made by some of those favoring the committee amendment striking out the provision limiting to 10 percent profits on airplane contracts over \$10,000.

Mr. COPELAND. Mr. President, I very much dislike to object to the request of the Senator. If it is in order, I can explain the reasons why the Senate committee rejected the provision, and why the House committee rejected it.

The provision is one which was added on the floor of the House; and yet I do not like to be in the position of objecting to the Senator's discussion of the matter.

Mr. FLETCHER. He may discuss it on a motion to reconsider.

Mr. FRAZIER. If there is an objection, of course I shall have to make a motion. I desire to make a brief statement with regard to the situation.

Mr. COPELAND. Why not let the Senator move to reconsider?

Mr. FRAZIER. Mr. President, I move to reconsider the vote by which section 4, on page 76 of the bill, was stricken out.

The PRESIDING OFFICER (Mr. McGILL in the chair). The question is on the motion of the Senator from North Dakota to reconsider the committee amendment on page 76, striking out section 4 of the bill.

Mr. COPELAND. Mr. President, that motion is debatable, is it not?

The PRESIDING OFFICER. The motion is debatable.

Mr. FRAZIER. Mr. President, in discussing this particular provision the other day I was not aware of the situation in the House in regard to the adoption of the provision. I find by the RECORD, and also from talking with the author of the provision which was inserted on the floor of the House, Representative McFARLANE, of Texas, that the amendment incorporating the provision was offered there and adopted without objection. It was accepted by the committee, as I understand. It is along the line of the limitation that was placed in the Navy appropriation bill a couple of years ago; and it seems to me it is perfectly logical that there should be a limitation in this instance.

When we were discussing the matter day before yesterday the argument was made that the airplane companies spent a great deal of money in experimental work, and so forth. I find, however, that the Government pays for such experimental work, to a large extent, at least. I have a letter addressed to Mr. McFARLANE, of the House, signed by a captain of the United States Navy, by direction of the chief of bureau, giving the amounts that were expended and obligated on account of experiments and developments under the appropriation "Aviation, Navy."

Beginning with 1926 and going to 1936, inclusive, there was spent by the Government \$20,447,652 for experiments in the Navy. I have here a copy of the Baker report of the War Department special committee on the air forces, especially. In the table on page 81 of this report the expenditures for experiments and research by the Army in the airplane service are given, beginning with 1920 and going up to 1927.

In 1920 there was spent, \$4,522,000 and a little over.

In 1921 a little over \$5,000,000 was expended for experimental and research purposes.

In 1922, \$4,000,000 was spent.

In 1923, \$3,000,000 and a little over was spent.

In 1924 over \$3,000,000 was spent.

In 1925 over \$3,000,000 was spent.

In 1926, \$2,646,000 was spent.

In 1927, \$2,183,000 was spent.

Then I have the figures for the fiscal years 1935 and 1936. In the fiscal year 1935, \$4,541,799 was spent for these experimental purposes.

In the fiscal year 1936, \$4,865,295 was spent for these purposes.

I understand that in the pending bill an appropriation is made for these experimental purposes, as is the custom in the Army appropriation bills. I cannot understand what all the appropriations are for, to be frank about the matter. I am not on the committee, and it is almost impossible for anybody who is not on the committee to find out what the various appropriations are for; but I am told that there is an appropriation of that kind in the bill.

Mr. President, it seems to me that with the experimental work taken care of we should have a provision in the bill to limit the profit to 10 percent.

It was stated in the hearings before the Senate committee by Assistant Secretary Woodring and some others that no



excess profits were made on these planes by the airplane companies, and that he thought a limit of 10 percent would be unfair, and so forth. I have shown that money is paid by the Government for the experimental work. Here is a copy of a letter written by the Comptroller General, J. R. McCarl, to the Secretary of War under date of February 19, 1936, in regard to a contract which was let by the War Department for the purchase of planes during 1935. I desire to read the letter, though it is quite lengthy. It gives a copy of a letter written by one of the airplane companies and the reply by Secretary Woodring, and then there are comments by Mr. McCarl on the letting of the contract.

Mr. McCarl says:

There was no competition with respect to the price, as hereinbefore stated. There was a difference of approximately \$20,000 per plane, or approximately \$400,000 on the 20 planes contracted for.

In other words, 20 planes were contracted for. The bid by the Douglas Aircraft Co. for delivery of 20 airplanes was \$49,500 each. The bid by the Curtiss-Wright Airplane Co. was \$29,500 each. That is just \$20,000 a plane difference. The bid by the Fairchild Aircraft Corporation was \$29,150 each. That is a little more than \$20,000 less than the high bid; yet the contract was let to the high bidder, paying a little over \$400,000 more than the low bid.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. Yes.

Mr. KING. What reason is assigned for the conduct of the Department in awarding the contract to a firm whose bid was nearly double that submitted by another contractor?

Mr. FRAZIER. Mr. McCarl says that the low bid was well above the specifications of the Department in the qualifications required in regard to speed, and all that sort of thing; and he says there was no competition in regard to price.

I will read from the 1935 edition of the Army Air Service Laws a portion of the law approved July 2, 1926, which sets forth the regulations in regard to letting contracts. Subsection (t) provides:

Hereafter whenever the Secretary of War, or the Secretary of the Navy, shall enter into a contract for or on behalf of the United States, for aircraft, aircraft parts, or aeronautical accessories, said Secretary is hereby authorized to award such contract to the bidder that said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform the work or the service required to the best advantage of the Government; and the decision of the Secretary of the department concerned, as to the award of such contract, the interpretation of the provisions of the contract, and the application and administration of the contract shall not be reviewable, otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts.

Apparently, therefore, it was decided, on that basis, that the Secretary felt that the bid accepted was the lowest responsible bid, although Comptroller General McCarl said it was over \$20,000 more than the low bid.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. PITTMAN. I do not see how this amendment reaches the question the Senator has in mind. There is no doubt that there was a competitive bid, and that two bids were \$20,000 lower per plane than the bid accepted. I think there is something wrong there.

Mr. FRAZIER. The amendment would limit the profit to 10 percent where the contract is in excess of \$10,000.

Mr. PITTMAN. Who is to determine the profit?

Mr. FRAZIER. A provision is made in the law that certain officials of the Department may go over the books and make inquiries, and all that sort of thing.

Mr. PITTMAN. Does this mean that the Government is to determine the profit?

Mr. FRAZIER. Yes; as I understand it.

Mr. PITTMAN. The Government cannot determine the profit until after the plane is built, can it?

Mr. FRAZIER. I presume not.

Mr. PITTMAN. We would be asking the contractor to bid on a plane, to build it, I take it, and then have the Govern-

ment, after it is built, determine what the cost was, and allow the manufacturer 10 percent profit.

Mr. FRAZIER. I do not so understand. The contracts would be let just the same, and when a contract was made, and when the work was performed, there would be an investigation in order to determine what the cost was. In the case before us it does not seem to me that it is possible it could cost one company \$20,000 more to build a plane than it would cost another company to build the same kind of plane.

Mr. PITTMAN. Let us consider this question. Suppose the amendment were restored and the Secretary accepted the bid of the Douglas Co., which was \$20,000 lower than the one he did accept, and that company had proceeded to build the planes under the bid. After they had completed the planes and the Government investigated and found that the planes cost the manufacturer only \$10,000 to build, it would give the manufacturer \$10,000 plus 10-percent profit. Is that correct?

Mr. FRAZIER. I think that is correct.

Mr. PITTMAN. And the Government would have the right to determine the cost?

Mr. FRAZIER. I think that is correct.

Mr. PITTMAN. I do not believe it would ever get a bid under any such provision as that.

Mr. FRAZIER. I should like to ask the Senator from Nevada whether he does not think that 10 percent is enough profit on a contract of \$10,000 or over.

Mr. PITTMAN. The question is, Who is to determine it? Does the Senator think a businessman would proceed to build a lot of expensive planes which would cost him, taking everything into consideration, \$20,000 each when he would be bound under a contract under which the Secretary might find it cost him only \$15,000 to build the planes? No adjudication or determination is provided for.

Mr. FRAZIER. The Secretary of War, of course, would determine the cost from an examination of the figures of the company which built the plane, so I cannot see that there would be any difficulty in that respect.

Mr. PITTMAN. Cannot the Senator conceive that there are different methods of ascertaining costs?

Mr. FRAZIER. As I understand, the men who are to investigate the books would take the cost figures of the manufacturer. The amendment we adopted in the case of the Navy appropriation bill a few years ago was a little different from the amendment we are now discussing, and was a much better amendment. I have a copy of the amendment, or practically the same amendment, which was adopted as to the Navy a few years ago.

Mr. PITTMAN. Mr. President, I assume that the War Department, if that is the Department which is buying the planes, should have a very accurate knowledge as to what the planes ought to cost, and I should not think they would enter into a contract for an amount very much above that figure. If they did so, then this section is not the one which reaches the matter, in my opinion.

I feel this way about the matter: There is competitive bidding, we will assume, and one man bids \$20,000 a plane less than his competitor. His price is quite low, or the other is very high, I do not know which. Nevertheless, one bids \$20,000 less than the other. He does not know until after he has expended his money in building the plane what he is to get, because the determination of cost is left to the War Department, since they have the money.

The manufacturer might go into court, under this provision, and sue. I do not know whether he could or not, but I suppose he could. He might be able to sue and establish his costs. But until he took the initiative and established his costs the War Department could arbitrarily say that his costs were much less than he claimed they were.

Mr. FRAZIER. I have never heard of the War Department taking that attitude. I do not think there would be any such danger.

Mr. PITTMAN. I think they should take the attitude of estimating the costs of these things very closely.

Mr. FRAZIER. In his letter Comptroller General McCarl says that in the matter of this particular contract there was



no consideration of costs in letting the contract, because it was let to the Douglas Co., whose bid was \$20,000 higher than that of the Curtis-Wright people and a little more than \$20,000 above the bid of the other company.

Mr. PITTMAN. I have an idea that the law provides that the Department may refuse any bids; if they considered a bid exorbitant, they would have a right to reject it. It seems to me that the law is sufficient if it is executed. If there is anything else to be added to the law, I do not know of it, but if a businessman has to put his money into building planes without knowing what he is to get notwithstanding his bid, I think there would be some difficulty in getting bids.

Mr. FRAZIER. The Navy has had no trouble in getting bids under the provision put into the law a couple of years ago, as I understand, and it is operating very well. The information I have received is to the effect that the Navy Department has kept down expenses considerably below those of the War Department in the purchase of planes.

Mr. PITTMAN. I have never seen the provision to which the Senator refers, and do not know what it is.

Mr. FRAZIER. Mr. President, it seems to me the amendment ought to be reconsidered and the House provision left in the bill. If this is a fair sample of the way contracts are let by the Army in the buying of planes, it seems to me there should be a limit of not to exceed 10 percent at least.

Mr. COPELAND. Mr. President, I desire to make an honest-to-goodness reply to the Senator from North Dakota. It is perfectly natural to think that there should be a limitation upon profit. I think, ordinarily speaking, that is right. But this is an entirely different situation, in spite of everything the distinguished Senator from North Dakota has said.

I desire to refer to the testimony given by The Assistant Secretary of War in the hearings on the measure before us. He was backed up in this by a number of witnesses from the War Department, and I was much impressed by what the Senator from Michigan [Mr. COUZENS] said in connection with the argument when the question previously arose.

I find on page 26 of the hearings that Assistant Secretary Woodring speaks about airplanes and the need for airplanes. I am sure all of us believe that American aviation ought to make very much more rapid progress than it has heretofore made. There have been a number of investigations in connection with military aviation. I have in mind particularly the investigation of the Baker Board. It has been made apparent from the reports, based upon these investigations, that it is necessary to increase the number of our planes.

Mr. Woodring, in his testimony, found on page 26 of the hearings, speaking of the policy of the War Establishment, said:

This policy is based upon competitive bidding, and in order to properly protect the interests of the Government in the procurement of such a highly technical piece of equipment requires the bidder to submit with his bid a completed airplane for test.

Keep in mind, please, that with every bid that comes in there must come a completed airplane.

Mr. FRAZIER. Mr. President, I pointed out that the War Department was spending about four and a half million dollars a year for experimental purposes.

Mr. COPELAND. Very well; I am going also to refer to that. I heard the Senator refer to it, and I am going to speak about it myself. There, at least, we are on common ground. So let us bear in mind that, according to the testimony, with each bid there must come a completed airplane.

There happened to be in my State a company which is now defunct because of this very imposition upon it in the submission of bids. The company had to present a completed airplane along with its bid. They are pretty hard-boiled in the War Department. The plane did not have quite the requisite possibilities of flight. It could not go quite high enough; it could not land in quite the right time, and so forth. Anyway, the concern I have in mind invested hundreds of thousands of dollars—and I mean literally hundreds of thousands of dollars—in attempting to compete, and finally was destroyed by reason of the conditions which prevailed in connection with the acceptance of bids.

The bidder is required to submit with his bid, as I said, a completed airplane. I am quoting once more from the testimony:

The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

That is the first burden that is imposed on the manufacturer—that along with his bid, if he is patriotic enough to bid, he must submit an airplane.

There is no lack of supervision on the part of the War Department as to the cost of the planes.

I continue to quote from The Assistant Secretary of War:

To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer after we make an award.

So, as I have pointed out, there is not any lack of effort on the part of the War Department to find out what the actual costs are.

Continuing the quotation:

This policy is resulting in a constant striving on the part of the manufacturers to offer better and better performing aircraft. It places squarely on the shoulders of industry, where it logically belongs, the necessary research and development work and gives the Government the active use and benefit of all the brains of the industry.

Mr. President, we have in existence at the moment a special committee investigating the airplane disaster wherein our late colleague, Senator Cutting, lost his life. And we have come to realize—all those who served on that committee—how necessary it is not alone that this industry develop along the line of military aviation but also along the line of civil aviation. So when I heard The Assistant Secretary of War say this it struck a responsive chord in my heart, because unless the manufacturers of airplanes can be encouraged to develop safe airplanes we will have to depend wholly upon the experimental establishments in the Government—to do what? To develop military airplanes.

If we are passing a bill in the public interest, it would seem to me we ought to provide so far as we can for the development of an industry which will serve not only the Army and the Navy but which will develop safe airplanes for passenger use for the civil population.

I quote further from The Assistant Secretary of War:

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers. Certainly under that kind of a system the companies are going—with their engineering and designing and researching departments—are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

Mr. FRAZIER. Mr. President, will it bother the Senator if I ask him a question there?

Mr. COPELAND. Not at all. Nothing that the Senator does bothers me. It is always a joy to yield to him.

Mr. FRAZIER. I appreciate that statement.

I wish to read section 10 (a) of the Army Air Service Laws approved July 2, 1926:

That in order to encourage development of aviation and improve the efficiency of the Army and Navy aeronautical matériel the Secretary of War or the Secretary of the Navy, prior to the procurement of new designs of aircraft or aircraft parts or aeronautical accessories, shall, by advertisement for a period of 30 days in at least three of the leading aeronautical journals and in such other manner as he may deem advisable, invite the submission in competition, by sealed communications, of such designs of aircraft, aircraft parts, and aeronautical accessories, together with a statement of the price for which such designs in whole or in part will be sold to the Government.

That provision for competition and 30 days' advertisement was approved July 2, 1926. Referring to the provision Assistant Secretary Woodring said:

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers.

The law provides that bids shall be advertised for at least 30 days. That is the kind of competition the War Department is requiring, according to Assistant Secretary Wood-



ring, in buying the bombers and, I suppose, other planes. He said, further:

Certainly under that kind of a system, the companies are going, with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

It seems to me that is no competition at all. I cannot understand the proposition. The law provides for competition, and yet The Assistant Secretary of War says they send invitations. Is that calling for competitive bids? Is that advertising in the aeronautical papers? If so, then I do not understand the proposal.

Mr. COPELAND. The Senator may have invitations to bid confused with invitations to the White House, or something of that kind.

Mr. FRAZIER. If the law requires an advertisement in aeronautical papers for 30 days, why not advertise instead of sending out invitations?

Mr. COPELAND. Let us discuss this matter on the merits.

Mr. FRAZIER. I thought that was related to the merits.

Mr. COPELAND. The Senator does not believe for a moment that the officers of the War Department are trying to rob the Department or do something improper, does he? When the Senator reads from the rules of 1926 and talks about aviation in 1926, that is like talking about the flood when it comes to the geological and animal development of the world. The whole progress of modern aviation has taken place since the war. Let us not talk about that. That is like oxtail soup—it is from a long way back. [Laughter.]

Mr. FRAZIER. 1926 was since the World War. That was only 10 years ago.

Mr. COPELAND. I know. Has the Senator concluded what he wants to say?

Mr. FRAZIER. Yes; for the present.

Mr. COPELAND. Very well; then I shall endeavor to conclude.

We come to the point of the 10-percent limitation, and I quote from The Assistant Secretary:

The 10-percent limitation of profits on contracts will prevent the possibility of manufacturers recouping any of these experimental and development costs and ultimately result in the practical cessation of such research and development on the part of industry. This will mean that the Government will have to carry on its own research and development and that the only brains being applied to the advancement of our aircraft will be such brains as the Government may be able to assemble at Wright Field, which is our technical and procurement branch of the Air Corps.

I do not need to tell you that such a situation will materially retard progress in the development of military aircraft in this country and will result in our Air Corps being equipped with airplanes inferior in performance to those of other countries.

That is the only conclusion that can be reached. We now have a number of airplane manufacturing establishments throughout the country.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Texas?

Mr. COPELAND. I yield.

Mr. CONNALLY. Is it not true that this amendment was inserted in the bill in the House by a member of a special subcommittee of the Committee on Military Affairs which thoroughly investigated the aircraft situation? Was it not developed that the aircraft section of the Army had disregarded competitive bids altogether and had let contracts which brought enormous profits to the manufacturers? Does not the Senator think it would be in the interest of time to reconsider the amendment and let the Senate vote on it?

Mr. COPELAND. The point the Senator has in mind would not be reached if we should reconsider the vote. It is not a question of the 10-percent profit. It is the whole problem of bidding and that sort of thing that the gentleman in the House must have had in mind. I do not know who offered the language.

Mr. TRUMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. No, Mr. President, I prefer not to yield at this time. I am tired and anxious to conclude.

The PRESIDING OFFICER. The Senator from New York declines to yield.

Mr. COPELAND. If there are any abuses about the method of getting bids, that is one thing; but that has nothing to do with the matter now before us. The question involved here is how much profit the airplane contractors may have upon their product when it is finished? Let us assume that the bids were honestly called for or invited by the Department. Let us assume the invitations were sent out in the proper manner and competition was sought. Every one of the bidders has to bring a completed plane up to the line when he submits his bid. We are asked to say to him, "When we accept your bid, the profit you can make is limited to 10 percent", and it may also be said, "We are not satisfied with your plane as it is. You will have to make modifications." In that case, when he gets through, instead of having any profit he will be "in the red."

Mr. CONNALLY. What would happen to the bidders who did not get the contract? They would have manufactured planes also at no profit.

Mr. COPELAND. The only hope they have, may I say, is that the next time invitations for bids are sent out they may get a contract and have a chance, perhaps, to recoup the losses which they made the first time.

Let me continue reading from the hearings. The Senator from Florida [Mr. FLETCHER] asked:

You would not favor any limitation of profits?

Assistant Secretary WOODRING. We do favor a reasonable profit, yes; but at this stage I do not favor any limitation of profits in the contracts, and I will explain why, because I believe we have that limitation in our audit today.

Senator HAYDEN. That is a point that I wanted to question you about.

From your contact with those who have been manufacturing airplanes for the Army, are you of the opinion that they have made inordinate or extortionate profits, considering their expenditures for research?

The Assistant Secretary replied:

I can say definitely that I think they have not.

Senator McADOO. Considering also the superior types which have been evolved out of this method, which you must take into consideration?

Mr. TRUMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I wish the Senator would let me proceed in connection with this matter until I have completed it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COPELAND. There is ample time. I hope I am not detaining the Senator. I have been detained here for 3 days, and I have not seen the Senator here much lately. Perhaps it will do him good to get a little of the same medicine that the rest of us have had. I am sorry I feel that way about it, but I really wish the Senator would wait a little bit, if he will.

Mr. TRUMAN. I shall wait until the Senator concludes.

Mr. COPELAND. The Assistant Secretary replied to the question I have read:

Gentlemen, you must remember there is an enormous expenditure in connection with the development of a bomber under this system, which I think is the best we can evolve. The man who does that has his tooling up and everything that he is required to spend which amounts to probably all of the way from \$200,000 to \$600,000 on that initial development of the plane and it may be worthless to him tomorrow—

Did the Senator from North Dakota notice that? The manufacturer may spend from two hundred to six hundred thousand dollars on a plane which is worthless to him the next day—

because some other plant tomorrow, or next year, may win the competition for the bombers, and it may be that a plane will be developed that is more superior to this; and in order to keep that going, in the interest of national defense, that man certainly ought to be paid for that experimental and development work.

Further, on the next page, page 28, I quote:

Since the Government is practically the sole beneficiary of the progress of military aviation, it is proper that the Government, as I say, should bear these costs. In this connection I wish to point out that the cost of building an experimental airplane runs from



\$100,000 to \$600,000, and that manufacturers cannot continue to build and offer these airplanes to the Government under a statute which precludes any possibility of reimbursement therefor.

And further, on page 29:

And, I think, to put on a 10-percent limitation would be to go back to the cost-plus contract.

It was that evil that the Senator from Michigan discussed—the cost-plus contract.

What you would have practically would be a cost-plus contract, if we forced this 10-percent limitation on them, and if a manufacturer on the Pacific coast got a contract he could come back here to the east coast and say, "Come on over to my factory and I will pay you 50 percent more per day, or double what wages you are getting now. What difference does it make to me? That will be added to my cost. I get 10 percent on the costs, and the more that I increase my costs the larger my 10 percent is." I think that is possible.

If the Senator from North Dakota wants that system, God bless him! He may take it; but I do not want it.

Mr. President, so far as I am concerned, I have no desire to continue the discussion. It is very apparent that we shall not be able to reach a vote tonight, and I am perfectly willing that the matter shall go over.

Mr. TRUMAN. Mr. President, I desire to enter a motion to reconsider the vote of the Senate on yesterday rejecting the amendment offered by the Senator from Florida [Mr. FLETCHER], inserting, on page 69, line 4, after the word "navigation", certain words and striking out, on page 69, line 23, the figures "\$138,677,899" and inserting in lieu thereof "\$208,677,899."

The PRESIDING OFFICER. The motion will be received and entered.

#### AUTHORITY TO SIGN ENROLLED BILL DURING RECESS

Mr. McKELLAR. Mr. President, at the request of the Senator from Virginia [Mr. GLASS], chairman of the Appropriations Committee, I ask unanimous consent that the Vice President be authorized to sign the enrolled bill H. R. 9863, the independent offices appropriation bill, after the recess of the Senate today, if the bill does not reach the Senate prior thereto.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Tennessee? The Chair hears no objection, and the order is made.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, and it was signed by the Vice President.

#### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate a message from the President of the United States nominating Richard D. O'Connell, of Connecticut, to be State director, National Emergency Council, for Connecticut, which was referred to the Committee on Finance.

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Charles S. Reed, 2d, of Ohio, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service.

Mr. KING, from the Committee on the Judiciary, reported favorably the following nominations:

Edward M. Curran, of the District of Columbia, to be judge of the police court for the District of Columbia, vice Gus A. Schuldt, term expired;

Martin Travieso, of Puerto Rico, to be an associate justice of the Supreme Court of Puerto Rico, vice Pedro de Aldrey, resigned.

Mr. McADOO, from the Committee on Patents, reported favorably the nomination of Charles H. Shaffer, of Maryland, to be examiner in chief, United States Patent Office.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there are no further reports of committees, the clerk will state the first nomination in order on the calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

#### RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 19, 1936, at 12 o'clock meridian.

#### NOMINATION

*Executive nomination received by the Senate March 18 (legislative day of Feb. 24), 1936*

#### NATIONAL EMERGENCY COUNCIL

Richard D. O'Connell, of Connecticut, to be State director, National Emergency Council, for Connecticut.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate March 18, (legislative day of Feb. 24), 1936*

#### POSTMASTERS

##### ARKANSAS

Monroe R. Hughes, Nettleton.

Frank N. Johnston, Ozark.

James W. Byrd, Smackover.

##### KENTUCKY

Sam J. Spalding, Lebanon.

Mayme D. Cogar, Midway.

Gemmell Baker Senff, Mount Sterling.

##### MICHIGAN

Sebastiano Camilli, Bessemer.

Walter W. Derby, Covert.

Lura B. Schreiber, Douglas.

Harry E. Penninger, Lake Linden.

Jarvis C. Chamberlin, St. Clair.

Morris R. Ehle, Wayland.

Charles J. McCauley, Wells.

William H. Stickel, White Pigeon.

##### MISSISSIPPI

Willie M. Windham, Lena.

Ella C. Covington, Lyon.

##### MONTANA

Leslie L. Like, Drummond.

Mary B. Bacon, Ismay.

Thomas Butler, Miles City.

Ralph Drew, Somers.

Albert Hole, Wheeler.

##### TENNESSEE

Douglas B. Hill, Collierville.



## HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 18, 1936

The House met at 12 o'clock noon.

Rev. Thomas G. Thomas, pastor, Caldwell Baptist Church, Caldwell, N. J., offered the following prayer:

Almighty God, our Heavenly Father, father of those who are Thy children by faith in Jesus Christ, we come into Thy presence this morning thanking Thee for all the blessings of life and for the special blessings of redemption through Jesus Christ, our Savior.

We come as a nation, our Father, thanking Thee this day for all Thy goodness to us, and the way in which Thou hast led us in the past. Today as these men gather here to deliberate upon the enactment of further legislation for the well-being and advancement of this Nation, we pray that Thy blessing shall be given to them and Thy divine wisdom and guidance rest upon them, for Thou hast said if we lack wisdom let us ask God, who giveth to all men liberally and upbraideth none, and it shall be given to them.

Further we pray that Thou particularly shall bless our Nation, and the poor, the friendless, and the homeless, especially those today who are in the devastated areas of our country because of floods. We ask, our God, that our Nation may continue as the leader among the nations of the earth, holding aloft the light of liberty, justice, freedom, and truth, that we may, as a beacon light, guide other nations, that they may learn justice, and that they may show mercy and walk humbly before Thee, our God. We ask it humbly in Jesus' name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

## SOCIAL PROBLEMS IN A CHANGING WORLD

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by myself, and include therein an address made by Hon. Harold Ickes, Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include an address by the Secretary of the Interior, Hon. Harold L. Ickes, before the convention of the United Synagogue of America at the Willard Hotel, Washington, D. C., March 16, 1936, as follows:

Mr. KOPPLEMANN. Ladies and gentlemen, the torch of progress has been kept aflame not alone by the achievements of science and industry and culture but as much by the sympathy, the tolerance, and the cooperation of those who are eager to give new ideas a chance to prove their value. Such understanding, tolerance, and cooperation can be found only among those who are free from bigotry and whose desire for the betterment of humankind embraces all. These are the people to whom we of the United Synagogue of America and civilization generally are indebted.

One of them is with us this evening.

It is my privilege to present him, the Honorable Harold L. Ickes, Secretary of the Interior.

Mr. ICKES. I bring you the personal greetings of the President of the United States. The President instructed me to express his hope for a highly successful gathering.

In about 3 weeks Jews in all parts of the world will observe the Feast of the Passover. This feast commemorates the liberation of the Israelites from their bondage in Egypt and their wanderings through the desert for 40 years. As I understand it, that migration was necessary for the purpose of permitting a new generation of free men to be born and to achieve adulthood, so that when the Jews entered the Promised Land they would have overcome the habits and inhibitions of servitude and would have put on the spiritual habiliments of liberty.

Today we of America are also wandering in the desert, even though it is a social and not a physical desert. Like those forefathers of yours, to whose will to win through freedom in the Promised Land you will give just honor at the Feast of the Passover, we are today struggling to throw off the restraints which have prevented us from achieving a better and a more worthwhile social order. May we have the courage and endurance, such as was possessed by your ancestors, to keep up the struggle for 40 years, if need be, but let us hope that in a much shorter period we may find ourselves in the promised land toward which we have been striving.

It required the economic crisis that blighted us in the fall of 1929 to make us realize how far our feet had strayed from the path that had been laid out for us by those heroic ancestors of ours who suffered at Valley Forge in order that we might enjoy the blessings of political freedom. The concept of the founding fathers of America was that of a happy and contented people sustaining themselves from the rich and abundant land that seemed to stretch further west the deeper the restless pioneers penetrated inland from the Atlantic seacoast. Land there seemed to be in plenty for all who cared to possess it; and to support himself and his family from the land was the ambition of the average American.

Of course, it was anticipated that there would be merchants and bankers and manufacturers on a moderate scale to serve the economic needs of the landowners, but even these entrepreneurs, important as they might be in the economic life of the country, would be subordinate to and dependent upon ownership of land and its cultivation. There was no situation in any part of the world from which it could reasonably be surmised that great manufacturing, commercial, and banking organizations later would grow up. Since neither past nor contemporaneous history contained a single reference to such an economic and social system as exists today, it is only fair to assume that the founding fathers never envisaged the America of the present.

Moderate wealth they could understand and they expected the valuable and apparently boundless resources of America to yield riches to those who, by their industry or acumen, might be able to earn more than average rewards. Doubtless they also expected, on the basis of their experience, that there would be a class existing at or below the margin of actual want. But between these two strata, the one moderately rich and the other not too poor, both of which groups would be relatively small in size, they saw the average American family living on land that it owned and wresting from that land, without undue hardship or devastating toll, food, clothing, and shelter sufficient for the needs of the family, with a comfortable margin over to provide moderate luxuries and security against illness and old age.

However, the economic character of the country changed radically and almost completely following the Civil War. The industrial era had dawned, not only here but in other parts of the civilized world. With our vast natural resources it was inevitable that we would enter the keen competition of the new economic order with a decided advantage. The energy, resourcefulness, and general intelligence of our people, plus our inventive genius, were additional boons to us in this race for supremacy. An eagerly adventurous people, it is not to be doubted that we entered this new economic phase eagerly and with high hopes. We not only felt that we would survive in the struggle with our competitors but that we would soon have them at a disadvantage. Probably if anyone gave even a thought to the social consequences that would result from such a radical deviation from the course that we had charted for ourselves it was only in passing. It is fair to say that no one actually knew where we were headed; it may even be affirmed with confidence that no one could have foretold our destination.

But if we saw only the brilliantly hued rainbow when we started on our new course, looking backward now, we can discern with clear, if not altogether satisfied, vision whither the path actually led that we so trustingly sought with eager feet. No one can now boast of an America that even approximately fulfills the dreams of those who gave us a land which they not only hoped but believed, as they expressed it in the Declaration of Independence, would be one where it would be recognized that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these rights are life, liberty, and the pursuit of happiness.

The concept was of an America that in a few generations would be occupied by happy and contented landowners, but instead of such a desirable state of society, one of the major problems of government for many years has been to prevent our fine and free and still semi-independent agricultural class from being pushed back into that state of peasantry which hundreds of thousands of immigrants from every nook and corner of Europe in years past have sought to escape by coming to these shores. And while there are heard in every part of the land the despairing cries of our



farmers who are struggling gallantly to keep from being totally submerged in the economic quicksands to withstand which they are exerting every ounce of their strength, we find conditions in our mines, in our factories, and in our great commercial centers that are even less encouraging. Instead of a citizenry contented with modest but adequate fortunes, with a disparity between the rich and the poor which while, apparent, is not unreasonable, we find an America containing a small but very rich class and a disproportionately large but very poor class with a group in between possessing fortunes that are comfortable as compared with the very poor, but insignificant as measured against the very rich.

A dispassionate appraisal of our existing social and economic order would lead to the conclusion that we Americans, instead of keeping our eyes fixed on the promised land, until recently had actually turned our backs on it and were counter-marching in the direction of Egypt and its Pharaohs.

Instead of a population in large measure supporting itself by its own labor applied to land or other means of production, the ownership of which is in the hands of the producers, we find an industrial system which takes deadly toll of those who are helplessly bound to its service. Little children are worked for long hours at tasks beyond their strength at pitifully small wages. Women, still at a disadvantage in our machine era, are similarly exploited. They, too, are held to grinding labor, in what in effect are tests of physical endurance, for wages that barely keep soul and body together. Thousands of the strongest and most virile of our manhood are regimented in factories under a pace-setting system which racks the body and undermines the nerves. The insistent demand is for younger and stronger men, who in their turn are ruthlessly and as speedily as possible drained of their physical energies, only to be cast aside for ever-younger substitutes at an age when under normal conditions they would just be entering the full maturity of their manhood. And as compensation for this draining of nervous force and this erosion of body the workman all too often is paid a wage upon which he finds it impossible to support his family properly, to say nothing of being able to lay something aside for periods of involuntary unemployment, for times of sickness, and for inevitable old age. In other words, a great army of American workmen find it impossible, under our economic system, to maintain their families according to our theoretical American standard of living.

I sometimes wonder whether we Americans are not the most romantic people in the world. We started out with the hope that our standard of living would not only be the highest in the world but that it would be so high that practically every American would be able to live comfortably above the margin of existence. Perhaps this was true in the earlier days, and perhaps it would be true even now if we had not wandered so far from the course laid down for us by the founding fathers. Then, having made up our minds that the American standard of living would conform to our ideal, or in fact had already done so, we built up an unshakable belief that the American standard of living was not only the highest in the world but that it was as high as any reasonable human being should expect it to be.

Unfortunately, this is not the fact. As wealth more and more has been concentrated in the hands of the few, the number of Americans living at or below the margin of existence has steadily increased. According to the findings of the nonpartisan Brookings Institution, as published in America's Capacity to Consume, "at 1929 prices a family income of \$2,000 may be regarded as sufficient to supply only basic necessities. However accurate this generalization may be, it is significant to note that more than 16,000,000 families, or practically 60 percent of the total number, were below this standard of expenditures."

Here is a drab picture indeed of that Garden of Eden from which we were turned out in 1929 and back to which the Liberty Leaguers so ardently hope to entice us. Almost two-thirds of the total number of American families at the height of our so-called prosperity did not earn enough to supply themselves with the basic necessities of life. And at that same period it is estimated that from two to two and one-half million Americans, able to work and willing to work, could find no work to which to set their hands. They were left to console themselves with the reflection that they constituted the great and growing army of the technologically unemployed—living, if hungry, examples of the productivity of the inventive genius of America, the tender-heartedness of her rugged individualists, and the humane resourcefulness of her then controlling social and political institutions.

It would not be so bad if we frankly faced the facts, because then we might hope that in time we would devise a remedy. To make matters worse, we continue to assure ourselves, notwithstanding that the majority of our people, even in so-called prosperous times, are below the margin of a decent existence, that our standard of living is the highest that the world has ever known. The inference that we want to be drawn from this legend is that our standard is also as high as anyone could reasonably ask; that America has fulfilled her destiny as a land of contented, happy, and prosperous human beings, rejoicing in the possession of both political and economic freedom. This is dosing with political soothing sirup to dull the sensibilities.

It is time that we were quit of mooning with our heads in the clouds, boasting about the American standard of living. It is time that we faced realities—that we took an honest inventory of our social and economic conditions with a view to applying remedies where remedies are needed. "Standard of living" is a relative term. Even if it be true that the American standard of living is the highest on record, that is not the question that confronts us today. What we are facing is the proposition whether the American stand-

ard of living is such as to assure the minimum requirements of all of our people as to comfort, health, and general well-being. If our standard of living is not that high, then it is not high enough, whatever the standard of living may have been in other ages and may be now in other countries.

Sixty percent of the people of the richest country in the world living at or below the margin of existence in the prosperity year of 1929. And since 1929 we have been going through the worst economic crisis in our history.

The implications in the cold and objective statement that 60 percent or more of the people in the United States are living at or below the margin of existence do not have to be spelled out to such an audience as this. You know that it means malnutrition in the child and undernourishment in the adult. It means insufficient clothing and shelter. It means a lack of medical care. It means that people must forego those normal recreations which keep the body healthy, the mind clear, and the spirit uplifted. It means a curtailment of educational and cultural opportunities.

The life that is being led today by a majority of our fellow citizens is properly analyzed in *Land of the Free*, a recent book by Herbert Agar, who says: "It is not, in plain fact, the sort of life which gives a man a fair chance to save his soul. The poor man in a decent society . . . may possibly deserve the Biblical appellation of 'blessed'; the poor city dweller in an industrial plutocracy is clearly cursed. He not only lacks comfort and security and hope but his surroundings tend steadily to debauch him. Who but a saint can keep kindness or dignity or moral strength if he lives like an animal?"

As a single example of the unspeakable conditions under which millions of Americans actually live who are supposed today to be enjoying the highest standard of living in the history of the world, I will quote from a study made by Mr. M. A. Hallgren of 15 families living in one of the worst slums in Philadelphia:

"In a period of 3 years there had been reported in the 15 families 13 cases of illegitimacy and attacks on girls and women, 11 cases of desertion, 3 of imbecility, 18 of communicable diseases, 7 of absolute poverty, 5 of cruelty and incorrigibility, and 5 of chronic drunkenness." The district in which these families lived is described as follows: "The . . . tenements were almost all narrow three-story affairs, one room to a floor. They were without modern heating and plumbing, the majority of them having to depend on outdoor toilets. They were dirty, dingy, and dark, facing upon narrow lanes and courts, some of which were no more than 5 feet across. Approximately 140,000 people lived in the district."

Examples such as the foregoing could be multiplied by citing incontrovertible facts from every large city in the United States and from practically every town and village because even the countryside has its slums. Nor do the slums alone pose an accusing question as to what we are going to do about such of our social institutions as need overhauling. To our shame be it said that many other striking examples of social and economic maladjustment could be cited. I call to the attention of those who are suffering from political astigmatism the following facts presented by Dr. Goodwin Watson in a recent paper prepared for the American Council on Education:

"Less than one-fourth of the child population receive such minimum health service as annual physical examinations, vaccination, and diphtheria immunization.

"At least 3,000,000 children of school age are not in school at all, due to handicaps, and in some cases to the fact that no school is provided near them.

"The special education needed by 90,000 crippled children, 45,000 visually handicapped children, and 3,000,000 with impaired hearing is still not provided.

"In the United States we have more than 4,000,000 persons over 10 years of age who have never learned to read and write."

In other words, on the scientific frontier we have made tremendous strides. In invention, in the discovery of manufacturing processes and in research we are magnificent. On the industrial frontier we have been using seven-league boots, but on the social front we are just barely crawling.

Now, just what are we going to do about it all? Is our vision so limited and so uninspired that we can see nothing for the future except a return to those conditions that we called prosperous prior to 1929; those times when what was gaudy and cheap and flamboyant in our social system was flaunted in the front parlor while we swept under the back stairs our slums, our unemployment, and our submarginal living for a majority of our people? Or shall we, chastened in spirit by our narrow escape from a social and economic cataclysm that seemed about to engulf all of us in a common disaster, really set to work to build on this continent such a nation as the humane and socially minded of our founding fathers saw in their dreams—a nation consisting not of a numerically small class holding most of the wealth of the country, with 60 percent or more lacking adequate food and clothing shelter, but a nation which, except for that mere handful of misfits and derelicts that are constantly being sloughed off of every social group, shall be composed of citizens who are economically free because they possess the means of supplying themselves with those things that make life worth while and who are, therefore, truly politically free?

Aspirations to make this country what our forefathers intended it to be—a land of equal opportunity for all, regardless of race or color or creed; a land where every man may aspire to at least a modest ownership of private property and a chance at that work for which he is best adapted in order to earn a comfortable living for himself and his family—a living that will make it possible for



him adequately to educate his children, to lay up something for his old age, and to have a little left over for legitimate luxuries—such aspirations have in some quarters come to be referred to sneeringly as "the more abundant life." The inference intended is that to undertake to provide in fact such a standard of living, as mistakenly, we have been boasting already exists, is something naive and childishly amusing. Yet, despite the barbed shafts of ridicule, the labored witticisms and the sneering quips of a certain type of cynical critic, I, for one, do not hesitate to declare that there should be a more abundant life for those millions upon millions of American men, women, and children who are living below the margin of a decent existence.

Since when did the desire to improve economic and social conditions indicate such naïveté as to make him who avows his hope that here in America we may in fact build up the finest social order that the world has ever seen, a legitimate target for satirical gibes? After all, it was to establish political and economic freedom on this continent, to build up a social order within which even the humblest citizen would at least have sufficient food and clothing and shelter and his just share of God's free air and sunshine that our fathers endured the hardships and privations of the Revolutionary War. It was to maintain the social order forged by our ancestors in the blast furnace of that struggle that Abraham Lincoln gave up his life. And in this generation no man need hang his head in shame because he believes that the ideal of those who founded and preserved the Union, the ideal of the more abundant life, is still worth striving for.

Implicit in the New Deal are the desire and the purpose to improve living conditions in America. Frankly recognizing the inequalities, the injustices—yes, the cruelties—of the social order that it inherited from its predecessors, this administration has sought to redress the most glaring abuses and to lead back the people, even if only a little way, toward the path from which unheedingly we strayed in pursuit of a gilt-edged rainbow that always was just around the corner.

This administration is urging the adoption of the pending child-labor amendment to the Constitution that would put an end to the cruel exploitation of millions upon millions of American men, women, and children who are living below the margin of a decent existence.

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This administration is urging the adoption of the pending child-labor amendment to the Constitution that would put an end to the cruel exploitation of underprivileged children. It has sent hundreds of thousands of young men from the slums of our cities into C. C. C. camps, where they can do useful conservation and reforestation work while upbuilding their own bodies and invigorating their own souls. We stand for old-age pensions and unemployment insurance to lift the dread of an uncertain future from those who live in economic insecurity. We have tried to make it possible for labor to bargain on some basis approaching equality with its employers. As enduring evidence of what this administration has already done that is of definite and permanent benefit to the country, I will refer, merely in passing, to some of the accomplishments of the Public Works Administration, whose purpose it has been, not only to give work to the involuntarily idle, but to make this Nation a better place in which to live. We have built many thousands of schools in which to educate the youth of the land; more thousands of sewers and waterworks to protect the health of our citizens; still other thousands of hospitals, sanitariums, public buildings, bridges, and power plants, as well as other physical improvements to add to the ease and comfort of American citizens.

In numerous other ways we have made sincere efforts to mitigate and correct the destructive and ruinous forces that had secured control of the Government. And while this administration has thus been striving for the economic and social welfare of the people, it has provided relief to the unemployed so that no one has lacked essential food or clothing or shelter. In building for the future we have not lost sight of the fact that, in the past, money prosperity and social bankruptcy have gone hand in hand. We venture to hope for a future in which we will have both material and social prosperity.

Opposing the social regeneration of the Nation stand the exploiting classes, composed of those men who already are too rich and powerful for the good of the people but who, nevertheless, are

greedy for more riches and more power. These would turn back the hands of the clock. They have always bitterly opposed every social advance. They are against slum clearance, against low-rent housing, against cheap electric power; they are for low wages and long hours for those who carry the heaviest burdens of life, for child labor and the economic exploitation of women; they are for *laissez faire*, for the status quo ante; they care not, nor have they ever cared, how the great mass of the American people live. Little they reck whether 60 percent of our citizens are living at or below the margin of existence. Let it go to 70 or even 80 percent, provided there is no interference with their own baneful economic habits. To be sure, people must be fed and clothed and sheltered, but expend on them no more than is barely enough to keep them alive in order that they may continue by their toil to add to the wealth and the power of those who have built themselves up on the exploitation of their fellow men and by means of special privileges which have been granted to them by a complacent Government.

Is the America that we shall pass on to our children to be an economic feudalism with the powerful liege lords of finance in control of our resources; with a small but very rich group at one end of the scale and an ever larger and poorer class of dependent vassals at the other? Or is it to be an America of contented and happy citizens supporting themselves in comfort by their own efforts? Are the property and the means of production of America to become more and more concentrated in the hands of a privileged class, or is there to be a wider diffusion of them among the mass of the people, as those who founded this country intended there should be? Is it to be the function of our Government further to foster, protect, and encourage a concentration of wealth that has already reached a point where it threatens the very life of the Nation as it has already put its soul in jeopardy, or is the ideal to be that of serving the best interests of the greatest number of our citizens?

Here are fundamental social and political issues upon which the future of America depends, and the solution of which cannot longer be postponed. In the decision that must be made such a group as I have the privilege of addressing tonight will be profoundly influential. The situation can only properly be called a crisis. In this crisis in our national life you and I have grave responsibilities that we cannot evade without forfeiting our birthright. May all patriotic and right-minded citizens join hands to bring our America into the promised land.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. At this time?

Mr. NICHOLS. At this time, Mr. Speaker.

The SPEAKER. The Chair hopes the gentleman will withhold that until later.

Mr. NICHOLS. I will withhold it if the Chair will recognize me later.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that on Thursday, immediately after the reading of the Journal and disposition of other matters on the Speaker's desk, I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

#### FEDERAL REGISTER

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, the first issue of the Federal Register came from the printers Saturday. Members of the House know I have taken the position that the compiling and printing of Executive orders and regulations through the medium of the Federal Register is a waste of public funds and I introduced a bill providing for the repeal of the act before it even went into effect.

Mr. Celler, of New York, is the author of the bill and chairman of the subcommittee of the Judiciary Committee that considered the legislation. When the distinguished chairman of the Judiciary Committee [Mr. SUMNERS of Texas] asked me what subcommittee I should like to have the bill referred to, I told him to send it to Mr. Celler's committee, the author of the bill, as I was willing to face the lion in his own den. The hearing was held. I was the only one who appeared in favor of repealing the act, while Mr. Celler made it his business to have plenty of heavy artillery present to sustain his contention that the Federal Register was a necessity. I pointed out that no Member of Congress ordinarily receives more than one request a month for a Federal regulation, and not more than one request in 6 months



for an Executive order, and I offered at that hearing, if anyone present would write down the name of an Executive order or regulation, I would get it for him immediately. No one responded.

The Federal Register Act grows out of a request of a justice of the Supreme Court, during the consideration of the "hot oil" case, asking as to where the Court might secure a copy of the regulation that was referred to. Had there been a secretary or a clerk of any Congressman or Senator present who would have had the nerve to address the Court, he or she could have told the Court where the regulation could have been found. Naturally, there was considerable newspaper notoriety because no one could tell the Supreme Court where to secure a Government regulation. The law providing for the printing of Executive orders and regulations having legal effect in the Federal Register followed.

In the language of the street I was of the opinion that there was going to be plenty of "bull" in the Federal Register and my view is confirmed by the first issue of the Register. History will record that the first Executive order published in column one of the first issue of the Federal Register has to do with Bulls Island, which is 3 miles off the South Carolina mainland, and the President provided by that Executive order that the island is to be reserved for the Department of Agriculture pursuant to the Migratory Bird Conservation Act. I doubt if anybody within the vicinity of Bulls Island will ever see a copy of the Federal Register unless it would be the Congressman or Senator. It took two pages of the Register to print the Executive order in regard to Bulls Island.

We also find in the first issue a regulation of the Income Tax Division of the Treasury Department. The author of the bill [Mr. CELLER] is a lawyer and is a member of a law firm, and if that firm handles any income-tax cases, he knows just as well as I know that the private corporations that have been supplying all lawyers, accountants, and business houses with copies of income-tax regulations in loose-leaf form will have this regulation in his office before the week is out. A number of private corporations print these regulations and supply those interested with them.

Yesterday the gentleman from New York was granted 10 minutes by unanimous consent to make a speech in regard to the Federal Register. At the time he asked for this consent he evaded the question as to the subject he proposed to discuss, but it so happened that the gentleman from New York had told me it was his purpose to discuss the Federal Register, that he would mention my name, and suggested that I be present. I did not object. I was present and did not interrupt the gentleman at any time, but at the conclusion of his 10 minutes I felt that it was only fair, in view of the fact that he had mentioned my name on several occasions, that I should have an opportunity to reply. Every other Member of the House of Representatives, even the gentleman from Massachusetts [Mr. TREADWAY], who had 20 minutes to speak, was willing that I have this opportunity except Mr. CELLER himself, who had mentioned my name. The gentleman from New York insisted that if I were to have 5 minutes, then he wanted 5 minutes additional; and when the Speaker told the gentleman his request could not be coupled with mine, then the gentleman requested that I yield 2 minutes of my 5 minutes to him, although the gentleman from New York had just addressed the House for 10 minutes. Of course, I declined to yield 2 minutes of the 5 minutes to the gentleman from New York; and thereupon Mr. CELLER showed very poor sportsmanship by objecting to my request, and I was denied the opportunity to reply.

There is plenty I could say in reference to the administration of the Archives Act and the Federal Register Act, which is part of the Archives, but I am going to be kind and not do so, other than to remark I do deplore the fact that there are going to be over 250 employees paid out of the appropriations for that purpose during the next fiscal year and not one of them is subject to civil-service laws and regulations. Most of the appointments have been made, and I am not going to say who might have been successful in getting the jobs, but one thing I will say is: That in no way enters into

my views upon this question. In fact, I do not think I gave anyone a recommendation for a position in that office, nor did I ever talk jobs to the Archivist, Mr. Connor, or the gentleman in charge of the issuing of the Federal Register, Mr. Kennedy. I might have given someone a recommendation for a position as a stenographer or clerk, but if so, I do not recall it at this time; so, as I say, the question of jobs did not enter my mind when I took the position that the Federal Register was not necessary and the cost to the taxpayers was not justified.

The gentleman from New York [Mr. CELLER] told the House yesterday that \$100,000 had been appropriated for the purpose of carrying on for 4 months. I cannot understand why the gentleman did not be fair and tell all of the facts to the Members of the House when he discussed that part of the subject. He knows and I know there was one appropriation for \$100,000, another for \$150,000, and a third appropriation included in the general Archives appropriation of \$39,760 for the Federal Register, and each and every one of these appropriations has been passed since we convened the present session of Congress the first of the year.

Aside from this, however, let me call your attention to the fact that they did not get all the money that they requested and had the Appropriations Committee given them all the money that they desired, it would have been several hundred thousand dollars more, so you have an idea of just exactly what this Federal Register is going to cost the taxpayers of the country.

I am a good loser. I have made my fight for the time being, and I have not been successful.

The gentleman from Pennsylvania [Mr. SNYDER] stated to the House when one of the appropriations was under consideration in the legislative bill that it was on trial—that they did not give them all the money they desired, and if at the expiration of 8 months it was found that the Federal Register was not necessary, steps would be taken to have the law repealed. The gentleman from Indiana [Mr. LUDLOW], also a member of the Appropriations Committee, sustained my contention in his speech that it was unnecessary and an unwarranted charge upon the taxpayers of the country.

The gentleman from Indiana [Mr. LUDLOW], as you know, is an old newspaperman and followed his profession for over 20 years in Washington. He knows the value of publications, and I am sure he would not reach his conclusion until he had given the matter a great deal of thought.

Now, what has happened in reference to the first issue of the Federal Register? The cost is \$1 per month or \$10 a year. Fifteen thousand copies of the Register are now being printed of each issue, at least four times a week, and up to the close of business last night I was advised by the Superintendent of Documents of the Government Printing Office, who handles subscriptions to all such publications, that they had on their list 69 paid subscribers, despite the fact that the Federal Register has been advertised extensively in the metropolitan press of the country as well as every trade publication in the country for the last 8 months, and the great press associations carried an item which was sent to all the papers in the United States advising them that the Federal Register was being printed, the cost, and so forth.

As I say, I am going to be a good loser. I want to express the hope, however, that those of us who are fortunate enough to be returned to the next Congress will give special attention to this item; and if it is found that the Federal Register is unnecessary, then repeal the act. If it develops the Federal Register is a necessity, I will be the first one to admit I was in error and I will support the appropriations that will be necessary to carry out the provisions of the law.

I regret that the gentleman from New York [Mr. CELLER] was not sportsman enough to permit me to reply to his argument at the time he addressed the House for 10 minutes so that the readers of the CONGRESSIONAL RECORD would have had both sides at that time. My only purpose in making this statement is that the readers of the CONGRESSIONAL RECORD, not having the entire picture before them, will not conclude that the views of the gentleman from New York are supported by the entire membership of this body.



## INDIVIDUALISM

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address I made last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address which I made over a National Broadcasting Co. network March 17, during the program Congress Speaks:

Friends and neighbors, from the days of its earliest settlers New Englanders have asserted their individualism and independence. To their descendants have been transmitted many of their outstanding characteristics. Of the hardy pioneers it has been well said that: "Encompassed by enemies they were never conquered; beset by evils they were always undaunted; forsaken by friends they forsook not themselves."

Those States whose independence they secured are the monuments of their labors, and the children to whom they left them rise up and call them blessed.

Sound common sense; a keen perception of right; promptness of action; calm, steady courage; tenacity of purpose; thrift; and unaltering perseverance and a strong conviction that God helps them who help themselves are the characteristics of those New Englanders who are rightly known as rugged individualists. They still believe in the Constitution of the United States, in the Declaration of Independence, in the Bill of Rights, and in the constitutions of the several States, and if that makes them old-fashioned, rugged individualists, they should thank God for it.

The value of individualism is found in its stimulation to initiative, to the development of personality and intellect, of thought and spirituality, added to which is the firm and fixed ideal of equality of opportunity.

Despite all the arguments to the contrary, in the last analysis it is true that not nations, not armies have advanced the race, but here and there in the course of the ages some individual has stood up who has cast his shadow over the entire world. As we read history we know that the worth of a state in the long run has been and is measured in terms of the character of the individuals who compose it. It is demonstrably true that the success of any and all adventures in political economy and government depend fundamentally upon the individual and his associates. There is no initiative in the mass. All theories to the contrary notwithstanding, leadership incident to, and for which individualism is responsible, is found in the individual, and in him alone. To this conclusion the facts of the case irresistibly drive the impartial and honest and patriotic citizen, who is not shocked off his mental balance by the ballyhoo of the socialistic propagandist.

No one can deny or refute the premise that the American system of government is the greatest success from the experimental standpoint in the history of the world, thanks to the rugged individuals who laid its foundation. A weak nation has mastered a continent and achieved a greater degree of progress in 160 years than had been accomplished in the 2,000 years that have gone before. The American people have enjoyed a greater and more progressive diffusion of wealth, comfort, security, educational opportunities, and a higher standard of living than ever has been enjoyed by average men and women at any time or anywhere.

All the theories of all the theorists to the contrary notwithstanding, what has been accomplished is directly to be credited to the virtues, the character, the initiative, the energies of the individuals who have lived under a system of government they themselves established, which brought unlimited opportunity to them all.

"Patriotism", said George W. Curtis, "in an American is simply fidelity to the American idea." Whatever in its government or policy tends to limit and destroy freedom and equality is anti-American and unpatriotic, for, in America, liberty and equality of opportunity are inseparable ideas.

"In this country of ours", said Calvin Coolidge, "sovereignty rests in the individual, and his rights must be protected and respected." So I say to you that the word "individualism" is one of which we of New England may well be proud and conjure with. It is only when we take time to stop and think—which we seldom do—that we appreciate the significance of it and all that it means to us and to these United States from a material standpoint.

When I hear people speaking disdainfully of rugged individualism, I wonder what this country would have become had it not been for the courage, initiative, and inventive genius of those whom some would now attempt to ridicule.

What would New England have amounted to had it not been for hundreds of men and women who, as individuals, made her progress possible? Time does not permit me to discuss them at length, but—lest we forget.

There was Philip Kertland, who commenced the manufacture of shoes in Lynn in 1640. Then came the shoemaking shops; then a splitting machine and the great inventions of Gordon McKay and Blake, and the development of an industry producing \$500,000 worth of goods annually; more than half of all the shoes made in the country, one of the Nation's most important industrial assets.

Then John Simmons, of Boston, manufactured the first ready-made clothes; came the perfection of the sewing machine; incidentally Simmons College was endowed, and Andrew Carney, another pioneer, founded the Carney Hospital.

Only 8 years after the settlement of Boston, or in 1638, the first fulling mill was established in Rowley, Mass. In 1794 the first

power woolen mill was established in Byfield and the first carding machine in this country was here put into operation, most of the machinery having been built in Newburyport. There was a day when New England woolens were valued at \$218,000,000 out of a total product for the whole country of \$380,000,000.

John Hall, the famous pine-tree-shilling mintmaster, established his silversmith trade in the Massachusetts Bay Colony as early as 1642. Paul Revere, who later was succeeded by his son Paul, established himself as a silver and gold smith in Boston about 1725.

As early as 1786 cotton machinery was being built at Bridgewater, and at cotton mill was erected at Beverly in 1787, which was a year at least before the Carolinas and Georgias first cultivated the cotton plant on American soil. It was not until 1793 that Eli Whitney invented his famous cotton gin, which made it possible for the South to supply the world.

In 1794 Nehemiah Dodge, of Providence, plated gold on sheet copper, and the making of inexpensive jewelry began. In 1807 Obed Robinson, of Attleboro, built the first shop ever erected for the express purpose of manufacturing jewelry.

Thirteen years before the Pilgrims landed in Plymouth Popham and Gilbert established a fishing colony in Maine, and in 1614 John Smith founded a similar colony at Pemaquid. The first settlers of Gloucester were shipbuilders and carpenters, and Marblehead contended with Gloucester for two centuries as a fishing port. Francis Ingalls set up the first tannery in the Colonies on Humphreys Brook in Swampscott, Mass., and shortly afterward Experience Mitchell established a tannery in Plymouth in 1623.

Elias Howe, aided by George Fisher, built the first complete sewing machine in May 1845. This invention was improved by Isaac Singer.

The process for solidifying rubber was the invention of Nelson Goodyear, which step in a series of inventions made possible the development and the manufacture of the countless articles which are now made.

It was an individual who had the idea of making a business conveying parcels and established the first express business on the Boston & Providence Railroad between Boston and New York.

The growth and development of the paper-making industry and the credit for the initiative shown must be given to Stephen Crane and Abijah Burbank, who began their paper-making industry at Sutton sometime after 1760. Around 1750 Gowen Brown made one of the earliest clocks, which is still preserved. Benjamin Willard, with his shop in Roxbury, started business around 1773 and Eli Terry around 1793.

John Harris, Robert Cowan, Samuel Blythe made harpsichords and spinnets in 1769 and John Hawkins patented an upright piano in 1800. You know that the first nails made by machinery in this country, probably the first in the world, were made by Samuel Rogers at East Bridgewater in 1794.

In these days when man makes electricity his servant, we seldom think of that pioneer, Thomas Davenport, of Williamstown and Brandon, Vt., who invented the electric motor. Nor do we pay the respect due to the memory of Samuel Morey, of Orford, N. H., who, as early as 1795, was the inventor and patentee of the steam engine and steam pump and later of the first internal-combustion engine.

Samuel F. B. Morse invented the telegraph in 1837. He was a native of Charlestown, Mass.; and so I might go on through all the different fields of industry, invention, education, religion, and progress and tell about the banks, finance, agriculture, quarries, mines, and different businesses and enterprises which have made New England and helped to make the world a decent place in which to live. After all is said and done, it cannot be controverted successfully that the idea and ideas of New England individuals have dominated and still continue to dominate the world.

I have spoken of these individuals and of the industries which they established illustratively, since we are so prone to take so much for granted and to be so unappreciative of our blessings. And, moreover, to call your attention to the fact that individual initiative, then as now, lays the foundation on which is erected the superstructure of all progress—intellectual, spiritual, moral, and material—which makes for prosperity and contentment and advancement, such as we have a right to seek to attain; but we must never forget that somewhere, sometime, some place, some individual—some man or some woman—pays the price.

It has been well said that, while the economic development of the past has lifted the general standard of comfort far beyond the dreams of our forefathers, the only road to further advancement in the standards of living is by the greater invention, greater elimination of waste, greater production, and better distribution of commodities and services.

Let me say to you, however, that progress such as we would have and ought to enjoy necessitates and requires strict guardianship of those vital principles of individualism, with its safeguard of true equality of opportunity. To preserve the former, as someone has said, we must regulate that type of autocratic activity that would dominate. To preserve the latter the Government must keep out of production and distribution of commodities and services. This is the dead line between our system of government and socialism, and there is no neutral area.

Regulation to prevent domination and unfair practices, yet preserving rightful initiative.

So surely as the sun rises and sets, nationalization of industry and business spells the end of your governmental system, and do not forget it.

Whether we like it or not, and whether we agree with it or not, and I most certainly believe it to be true, individualism has been the primary force of American civilization for three centuries.



It is our American sort of individualism that has supplied the motivation of our political, economic, and spiritual institutions throughout all these years. It has met every crisis. It has proved its ability to improve its institutions with every changing scene.

Those who would strangle individualism and establish a different order, insidiously or otherwise, know not whereof they speak, for our very form of government is the product of the individualism of our people, and grew out of a demand for an equal opportunity for, and a fair chance for, all.

Do not be misled. Compared with the opportunities for advancement in all lines of human activity which the next century offers those who will work out its salvation, the accomplishments of the last hundred years will sink into utter insignificance. No man dare prophesy or predict what some other man may not be able to accomplish. The possibilities are beyond our ability to comprehend, the opportunities as countless as the sands on the shores of the sea. That man is ungrateful who does not appreciate what a privilege it is to live in so wonderful an age.

The American pioneer has been called "The epic expression of individualism", and the pioneer spirit is the response to the challenge of opportunity, to the challenge of nature, to the challenge of life itself, as well as to the call of the frontiers.

No, my friends, so long as the spirit of individualism exists we need have no fear as to the fate of this Republic. The spirit of individualism need never die for lack of something for it to achieve. There will always be frontiers to conquer and to hold so long as men as individuals think and plan and dare.

Democracy itself is merely the mechanism which individualism invented, as a device that would carry on the necessary political work of its social organization. Democracy arises out of and rests upon individualism, and prospers through it alone. To curb those forces which would destroy equality of opportunity and to maintain the emulative and creative faculties of our people are the objects we must attain.

Go tell the pessimist that we have a vast domain of 3,000,000 square miles—this Nation of ours—literally bursting with treasure still waiting the hand of the individual and the magic of capital and industry to be converted into the practical uses of mankind; that what natural resources we lack we have the brains to manufacture, synthetically; a country rich in soil and climate; in the unharnessed energy of its mighty rivers and in all the varied products of the field, the forest, the factory, and the farm.

We have the manpower, the womanpower, and the brains. And, as individuals, realizing the tremendous responsibility that confronts us and rests upon each and all and everyone of us, we are determined to go forward, to perpetuate blessings already received, and to make sure and secure the achievement of a greater America, yet to be.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the special order granted the gentleman from Nebraska [Mr. BINDERUP], I may be allowed to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### BY THEIR WORKS YOU SHALL KNOW THEM

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STACK. Mr. Speaker, as the Representative of the people of the Sixth Congressional District of Pennsylvania, comprising the thirty-fourth, fortieth, and forty-sixth wards in West Philadelphia, the majority of whom sent me down here by their vote to represent them, I am herewith rendering an account of my stewardship since January 3, 1935.

They and they alone should know what I have done in the Halls of Congress. They and they alone should know whether I had their interest at heart or the interests of the special privileged when I voted on the different measures that came before the House.

As our old friend Al Smith, the Happy Warrior of other days, used to say, "Let us look at the record."

I worked for and voted for the following administration measures:

First. The \$4,880,000,000 work-relief bill.

Second. Immediate cash payment of the adjusted-service certificates, commonly called the bonus, and, of course, voted to override the President's veto.

Third. Home-mortgage-relief bill.

Fourth. The social-security bill, or old-age-pension bill.

Fifth. To prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace.

Sixth. Signed petition no. 7 to have the Frazier-Lemke bill brought out on the floor of the House for a fair and free discussion.

Seventh. To extend the National Recovery Act.

Eighth. Wagner-Connery Labor Relations Board Act.

Ninth. National Youth Administration program.

Tenth. Wheeler-Rayburn public-utility bill.

Eleventh. Bill extending the Reconstruction Finance Corporation.

Twelfth. To extend the guaranty of bank deposits.

Thirteenth. The tax bill.

Fourteenth. To develop and promote a strong merchant marine.

Fifteenth. Guffey coal bill.

Sixteenth. To repeal the "Pink Slip" Act.

Seventeenth. For humane immigration laws.

As a veteran who fought and bled for his country and as a member of the powerful Pension Committee, I have diligently labored to secure justice wherever possible for the veterans of all wars, and was glad to be a member of that committee which reported and voted for H. R. 6995, restoring to the Spanish-American War veterans and their dependents rights taken away from them by the so-called Economy Act.

I was instrumental in having many World War veterans' compensation cases adjusted, in several cases getting a special hearing for the veterans here in Washington.

I have stood behind labor legislation 100 percent and fought for Federal employees in and out of season, particularly the substitute post-office employees, who became my special protégés in the first session of the Seventy-fourth Congress.

In the Good Book it is written, "By their works you shall know them."

My record as a Democrat and a Congressman is an open book, and I hope my record here in the Halls of Congress and in my district have met with the approval of the electors of the Sixth Congressional District.

#### COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the session of the House today.

The SPEAKER. Is there objection?

There was no objection.

#### WHAT WAS LINCOLN'S POLITICS?

Mr. CREAL. Mr. Speaker, I ask unanimous consent to extend my own remarks on the use and abuse of the name of my fellow townsman Abraham Lincoln.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CREAL. Mr. Speaker, coming from the birthplace of Lincoln, I would have made some remarks on the birthday anniversary, but as there was a special order for an address on Lincoln in this House on that day by the gentleman from Illinois [Mr. REED], I did not intrude.

The big double log house on the Lincoln farm near the entrance was the home of my great-uncle, Richard Creal. It is kept standing as an ancient landmark. The custodian of the grounds, who has acted in that capacity since the erection of the memorial building, is a grandson of the same man, never having lived out of sight of his grandfather's place nor the sight of the Lincoln home.

The Lincolns went by the name of "Linkhorn" when there. After the birth of Lincoln the family later moved about 7 miles north of town, which then consisted of a mill and a few houses, to a farm on Knob Creek, where Abe lived until the age of 7. There he attended two winter schools and in later life mentions these two teachers and his impressions of them.

He was large for his age and, as was the custom, saw much outdoor life in the Knob Creek community. The Knob Creek Valley is a narrow, fertile valley studded on either side by high, well-wooded peaks, which makes the immediate vicinity where he saw the rising and setting sun the most beautiful drive on the Jackson Highway in Kentucky.

It was there his playmate, Austin Gallagher, rescued Abe from drowning when he fell in a hole in Knob Creek. Gal-



lagger lived to a ripe old age and delighted to recall the many events of his and Abe's escapades. Up and down Knob Creek they romped, waded in the crystal waters of Knob Creek, tried to catch minnows in their hats, threw rocks at songbirds, fished, climbed dead trees to hunt flying squirrels, and rambled the hills for nuts, berries, or pawpaws, enjoying the rural life only as such boys at that age can do.

If Lincoln could return today to that community, or the place of his birth nearby, he would find most all the people to be the grandchildren of his former playmates—many farms never having been out of the family. The burial place of Isham Enlow, with a small blackened marker in a cemetery no longer in use, can yet be seen. It was he who visited the Lincoln cabin that snowy evening and found Abe's mother along with Abe about to make his debut into the world.

While on the Knob Creek home, Abe's infant brother died and in the home-made coffin was carried on the shoulder of a brawny neighbor up a long hill, a mile away to the old Redman burying ground, now long in disuse. About 3 years ago a workman on the grounds of this neglected cemetery found what was, without doubt, the marker for the infant Lincoln. In those days the large limestone slabs, always cut diamond-shaped, and the full length of the grave, with initials on top, were laid flat on top of the grave. This was exhibited a while in the Lincoln National Bank at Hodgenville and then taken by the finder, who praises it highly.

It is a peculiar coincident that along the road in front of the Lincoln home place on Knob Creek rode Jeff Davis, riding a spotted pony all the way from Mississippi, at the age of 9, to enter school about 30 miles north of the Lincoln home. Thus both had their school days at first not far apart. We doubt if at that time there was anything in the outward appearance of either of these lads, both born in Kentucky, that would lead one to suppose that they would be President of the United States and of the Southern Confederacy.

Then came Tom Lincoln's time to move again, which he liked to do. He was through acting as road overseer or as constable in Cumberland County and Hardin County. They headed for Indiana. To me this is the most pathetic incident in Abe's life. He was old enough to love his playmates and the familiar landmarks and haunts of Knob Creek, where he had attended two schools. In those days friends were friends, and playmates in that community the same as brothers, quite different from town life and its social ties. His friend and playmate, Austin Gallagher, said he watched them load up, which was a small matter to do, and, as if to hold that tie of boyhood affection to the last minute before it was severed, he walked with Abe, as far as he could go. He waved at Abe and occasionally Abe waved at him, until he gradually passed from sight. He said the last wave he saw Abe's head slowly go behind the hill, and he knew he was long gone. With a lump in his throat, and doubtless one in Abe's also, he turned wearily to retrace his steps by the deserted home. They never met again, but Abe never forgot Austin, as mentioned by him in his mental trips back to Knob Creek.

The trek made by Abe to the Indiana home is known officially as the Lincoln Trail, which we hope some day to see made a national highway, as it extends on to Springfield, from the cradle to the grave, so to speak, and the route has been designated by officials. It is these landmarks and relics that we in LaRue County take pride in preserving. Little incidents in the life of the family have been handed down by the neighbors of Lincoln to the grandchildren and great-grandchildren and abound in that community. Neither Lincoln nor any of his children ever visited the place of his birth. Robert Lincoln, now deceased, attended the unveiling of the monument in the town square, but because of sudden illness did not go out to the birthplace, 3 miles away. The beautiful memorial building which now houses the cabin was erected by popular subscription and, with the farm, deeded to the Government.

The cornerstone was laid by Theodore Roosevelt, the building dedicated by William Howard Taft, and the acceptance on the part of the Nation was by Woodrow Wilson.

Lloyd George, Queen Marie, and American and foreign notables have paid a visit.

The clear, crystal waters of old Knob Creek, which ripple and gurgle over a pebble bottom as the moon shimmers its light and shadow therein, is just as Abe left it. The spring-time still decorates the high peaks standing on either side like sentinels guarding the historic ground. The dogwood and redbud blossoms make a picture that baffles the efforts of the landscape artist or painter to try to imitate. In this little pocket in the valley endowed with Nature's beauty supreme, on scenic Knob Creek, we invite you to visit. The same families, the same landmarks, everything except Abe, remain fixtures like the tin soldiers of Little Boy Blue. With this I close the chapter as far as Lincoln and LaRue County go.

In my county seat, the town of Hodgenville, an annual program on the anniversary of Lincoln is held, and it is the only Lincoln anniversary held in the United States as it should be held. It is historically reminiscent only and has not degenerated into an opportunity for Republican propaganda as all others have. They prefer to remember him as a poor country lad of our county who went away and made a name; and on behalf of Lincoln I want to register a protest against the use and abuse of his name with every questionable platform program or official act of modern-day controversies. I ask by what authority Republicans of 1936 use Lincoln's name as if he would second their motion if present? All over the country they use this anniversary as pretext for other things, serving in a beautiful dish a foul mess of food. It is the custom to mention a few words about Lincoln and then plunge into a tirade of present-day partisanship.

I listened over the radio to many Lincoln Day programs February 12, but none even gave the slightest inkling that there was anything in the life or official acts of Lincoln to justify the assumption that his faith was theirs of today. When men are dead they are painted, magnified, and made in imagination to be whatever the party in interest wants them to be. Historians are equally guilty, like a subsidized press reporter who is told what to see before he sees it and what not to see even though it strikes him with dazzling light across the eyes.

What right has a modern-day Republican to celebrate the anniversary of Lincoln in connection with Republican history of yesterday or today? I hope to show you that Lincoln never was a Republican as known either in history or today. On the contrary, he was the greatest Democrat since the days of Jefferson up to his time, and has only been surpassed by one since his time in hewing to Jeffersonian lines, and that was Bryan.

The two political parties of America were born in the effort to make our Constitution. There have been but two since that time of any consequence. There have been but two in all the days of modern or ancient history. In one country they may wear certain names or occasionally change their names, but by whatever name or under whatever clime they clash, the principles are the same. One party endeavors to protect the nobility, the aristocracy. The other is eternally trying to reduce favors granted to royalty and to distribute prosperity to the masses. Like litigants in court before a jury, parties represent classes of distinct interest. This is true in 1936. It is true today and yesterday the whole world over. So the two new parties which sprang up and clashed in our Constitutional Convention were not new parties—just the old, old parties of ages, assuming names and leaders in new America.

Let us look at the constitution offered by Hamilton, the father of the Republican Party in America. Here it is in brief:

Elect the President for life.

Elect United States Senators for life.

Elect Congressmen every 3 years.

The Governors of each State to be appointed by the Federal Government and serve for life.

The judicial officers to serve for life.

The President's veto was final—no overriding.

A State Governor's veto was final—no overriding.



The Senate would declare war instead of Congress.

Only those could vote who had a certain landed estate or who had exempt personal property to the value of 1,000 Spanish mill dollars.

In selecting a President the States would elect electors with limited qualifications for the voter. These electors would meet in their States and select another second group of electors. The second electors would come to Washington and after due deliberation in convention assembled name a President. Thus the first voter would not know who were candidates when he named the first elector. It would be so long ahead of time. This process would elect a President when one died in office, whether aged 90 or 101.

Hamilton emerged from the Convention with only the judiciary as life servers. And while on that point let me say that neither Hamilton or Jefferson ever dreamed of bestowing the power on the Supreme Court to nullify an act of Congress, for Hamilton was thinking only of the Supreme Court of England and it had no such power. With the President's veto final and a Senate serving for life he did not need a Supreme Court to kill a law if not desired. I pass no opinion on the assumed authority of the Court to so act without a constitutional provision, but leave that for your separate inclination and judgment. The Constitution was a compromise largely favoring Jefferson's views.

Quoting Hamilton, who said:

Society naturally divides itself into two political divisions, the few and the many, who have distinct interests. This separation must be permanent; representation will not do.

He further said when trying to defend a monarchy:

The advantage of a monarch is this: He is above corruption. Republics are liable to intrigue.

Listen to him again:

There ought to be a principle in Government capable of resisting the popular current.

And, again:

The aristocracy ought to be entirely separated; their power should be permanent. They should be so circumstanced that they have no interest in a change.

Really has the issue changed but little in these 150 years? It is the issue now in 1936 as well as in 1787.

If Abraham Lincoln's life, conduct, speeches, or actions coincided with these views, then he was a Republican, and Republican Lincoln Day orators are justified in so labeling him.

He was the greatest advocate and expounder of Jeffersonian democracy this Nation ever saw up until the advent of William Jennings Bryan. Lincoln was not only a great admirer of Jefferson and quoted Jefferson as his political bible on all occasions, but his own phrases and political thoughts are paraphrases of Jefferson. He never quoted Hamilton as authority.

You hear people talk today of the Federal Government. There is no Federal Government. That was the kind Hamilton attempted to install, but Jefferson defeated it. The name of this Government is the United States. It appears on every post-office sign.

Then, following the Convention the people divided into Federalists, led by Hamilton, and anti-Federalists, led by Jefferson; and the anti-Federalists were most generally victorious. Later, wanting to get the whole name of Federalists out, the anti-Federalists, or Jeffersonians, then called theirs Republican Party, which signified the name of the kind of government Jefferson established—a Republic.

Later on the name of the party Republican was changed to Democrat because they operated the republic form of government in a democratic manner, or the manner that gave greatest voice to the voters.

After many years of losing battle the Federalists—Hamiltonian party—seeing the Republic was here to stay, went back and picked up the discarded name of the Jeffersonians and called their party Republican. But before they did that they had tried Whig Party or any other place to get in and had petered out almost completely.

Then came one of those storms that had been brewing for years—the black cloud of slavery. Like all questions of supposed moral issue, it split party lines asunder and the one question overshadowed all others. The dominant Democratic Party itself divided and named two candidates, and the new Republican Party nominated Lincoln and went between the rift in the great Democratic ranks. Thus Lincoln is the only President who was twice elected and never received the majority of the whole vote either time. The second election the South was disfranchised and could not vote. LaRue County, the birth place of Lincoln, gave him 3 votes. Jefferson was then dead, but were he and Lincoln still together, even on this question?

Thomas Jefferson, the father of the Democrat Party, was the pioneer in American politics in opposition to slavery before Lincoln was born; and Lincoln, his long-distance disciple, used Jefferson's own legal language on slavery in writing his documents on that question.

In the Constitution, section 9, written by Jefferson—

The migration or importation of such persons as any of the States now existing shall think proper to admit shall not be prohibited by the Congress prior to 1808—

And so forth, was the best compromise that could be had on his desire to abolish slavery. On March 1, 1774, Jefferson was chairman of a committee to draw up a proposed government for the Northwest Territory, composed of what is now Ohio, Indiana, Illinois, Michigan, and Wisconsin; and in that report he wrote:

That after the year 1800 of the Christian era there shall be neither slavery nor involuntary servitude in any of the said States otherwise than in punishment for crime whereof the party shall have been duly convicted.

Lincoln, in his Emancipation Proclamation and in the thirteenth amendment, uses this language first written by Jefferson. In a letter to Dr. Price in 1775 Jefferson wrote:

In Maryland I do not find such a disposition to begin the redress of this enormity as in Virginia. This is the next State to which we may turn our eyes for the interesting spectacle of justice in conflict with avarice and oppression; a conflict wherein the sacred side is daily gaining recruits.

In his notes on Virginia in 1782 he wrote:

During the regal government we had at one time such a duty on the importation of slaves as amounted nearly to a prohibition when one inconsiderate assembly repealed the law.

In 1814, to Edward Cole, Jefferson wrote:

My sentiments on the subject of slavery have long been in possession of the public, and time has only served to give them stronger root. The love of justice and the love of country plead equally the cause of these people.

How about secession from the Union? We know Lincoln's views; let us see Jefferson's, but for lack of time I quote only one of his many letters expressing himself on that point. A friend of his, who was going to tour the country as a lecturer, asked Jefferson to suggest a subject, and he wrote him as follows:

MONTICELLO, August 4, 1811.

To Mr. OGILIVE:

Since writing the above an interesting subject occurs. What would you think of the discourse on the benefit of the Union and miseries which would follow a separation of the States, to be exemplified in the eternal warring wars of Europe, in the pillage and profligacy to which these lead, and the abject oppression and degradation to which they reduce its inhabitants? Painted by your vivid pencil, what could make deeper impressions and what impressions could come more home to our concerns or kindle a livelier sense of our present blessings?

They thought the same way about the Supreme Court, and both spoke harsher criticisms about its decisions and entrenched power than has been uttered by any public official of Washington in 1936. Jefferson did not use those exact words later used by Lincoln, "A government of the people, by the people, for the people", but every fight he made and every letter he wrote was to that effect. Both used the words repeatedly, "All men are created free and equal"; "Equal rights to all, special privileges to none." Every public speech or writing of Lincoln rings the echo of Jefferson, often using his own language verbatim, and always the same central



thought in championing the cause of the masses or the forgotten man.

And with all the writings, speeches, personal letters, and their lives before us, their tracks across our domains show that it is the same species of animal you are tracking. Neither of them ever made one track that looked like the track of the G. O. P. elephant, unless a man was drunk or cockeyed and unable to tell one track from another. Lincoln's party left his teachings the day he was shot and attempted to install a reign of carpetbag rule over a people in direct and flagrant contradiction of the principles for which he had just conducted a costly and bloody war.

By a long series of legislative acts and military orders they sought to reenslave and pillage a proud and cultured white people just after a war freeing a black race. Lincoln never would have stood for that.

Because Andrew Johnson, the succeeding President, would not let them kick a man when down and add insults to injury, they sought to impeach him and came within an inch of doing so. From that day to this good hour they have never followed Lincoln's views, but reverted to the doctrine of Hamilton, and in each and every campaign up to 1936 have made themselves the champion of the cause of that class described by Hamilton "which should not be disturbed by changing conditions" and to protect that "few who have distinct interests" and to protect them from the "popular wave."

The assembly of the Liberty League is the same assembly which met to shape every campaign for them since Lincoln's untimely death. On Lincoln's anniversaries they should, like the prodigal son when sowing his wild oats, be conscience-stricken in remembering "today is father's birthday back in the old home and here I am way out here in this garb."

This Republican divorce from Lincoln's ideals, which was granted with U. S. Grant's ascendancy, and granted with U. S. Grant to the United States, has at all times since been in full force and effect, and not modified, set aside or appealed from by them. On the 12th of February annually they go to Lincoln's tomb and lug into Lincoln Day dinners Abe's ghost, and would have him to say that he was opposed to the T. V. A. to furnish cheaper power and light to add to the comforts of the home. They have him to say that he is opposed to the grandchildren of Austin Gallagher in the hills of Kentucky sharing the elevated prices produced by the A. A. A. program, that he opposed income tax to provide relief or a job for the hungry. There ought to be a Federal law for desecration of the grave. Because Abe never answers these questions from the tomb they assume silence gives consent. For that reason I want to register my voice in protest to blasphemy of the dead.

Imagine Abe, who frequently gave away his lunch to more hungry schoolmates, and went without himself, homespun, big-hearted, charitable Abe, uncouth but tender in sympathy, sitting in with the Liberty League, planning a campaign to protect the aristocrats when all his own class from which he sprang stood empty-handed. Does anyone doubt for a moment how he would vote if in Congress today when these questions arise. The gentleman from Massachusetts would have a scrap with him before night about the Supreme Court. Now I want to digress here to say that Robert E. Lee had freed his own slaves voluntarily before the war started and that thousands of Union soldiers and many Army officers in the Union Army held slaves while invading the South. Lincoln was forced into war by hotheads of his own party and not by choice of his own.

In his inaugural address Lincoln assured the Southern States in this language:

I have no purpose directly or indirectly to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so.

And yet the average Republican ward heeler has long told the Negro that Lincoln ran for President on the avowed platform for the purpose of freeing the Negro.

In Charleston, Ill., in 1858, Lincoln said in his speech:

I am not now nor ever have been in favor of bringing about in any way the social or political equality of the white and black

racess. There is a physical difference between the white and black races which will forever forbid the two races living together on social or political equality.

That inaugural address was a sad disappointment to the hotheads behind him. They expected him to invade and shoot down opposition and immediately liberate, Constitution or no Constitution; and Abe, completely surrounded by superior statesmen, and being wholly inexperienced in any executive capacity allowed himself to be shoved into hasty action and instantly called for 75,000 volunteers, and 300,000 readily responded. Responded for what? To patrol and police for awhile, until cool-headed judgment and negotiations might have a chance? No; responded craving the smell of gunpowder, blood, and carnage.

Your children's school histories tell you that when they got here that the cry, "On to Richmond!" was too irresistible to be checked. Have you ever noticed that while the controversy was among our own blood and fraught with legal and technical discussion, that history is silent about any conciliation committee, any terms of truce to talk it over, or any policy like Wilson's Mexican trouble of watchful waiting, any exchange for settlement negotiations, or any of the last-effort attempts always made by all people before bloodshed? The South was not invading the North; they just went away in a sulk and then without one single effort to meet and talk it over troops wildly rushed down and went to slaying on sight—just as Lee thought they would do. You may say that further talk would have done no good. If it had not, nothing whatever would have been lost by the effort. Who knows that it would not have brought new understanding?

Andrew Jackson put down one secession rebellion and shed no blood. Suppose the heavy dominant Democratic Party had not divided with two tickets and Lincoln, a child of accident rather than renown, had not been elected? Then would there have been any secession? Certainly not, for no reason for such would have existed. If no secession, no war. Then it could be said that Lincoln's political ambition and election was the cause of a war which might have been averted. Why, down at Fort Sumter there had been a few rounds of ammunition fired but no loss of life. They took over a few minor posts. Let us see how others do today. A few days ago there was a tremendous uprising in Japan and 80 government officials killed and numerous government strongholds seized. By negotiation, parley, diplomacy, and cool-headed statesmanship the revolutionists were induced to surrender without the loss of a single life.

Knowing the great statesman, Thomas Jefferson, as you do, from history, and that great pacificator, Henry Clay, would anyone believe that there would have been war at that hour with either of them as President? If you do not, then you must believe that Abe's inexperience as a diplomat, executive, and statesman was the cause of war that others would have averted.

But you say, Would the Negro have been freed without the war? Not as suddenly, to be sure, but not long afterward; for it was daily becoming more unpopular to be a slave owner. As heretofore mentioned, General Lee had freed his slaves, and large numbers of others were following him. The slave in the South would have been freed even if the rebellion had won. Listen to this from General Lee to Jeff Davis' Confederate Congress while the war was in progress. January 11, 1864, Lee in the field at the head of the southern army wrote President Davis, President of the Southern Confederacy, to transmit this suggestion to the Confederate Congress:

My own opinion is that we should employ them (the slaves) without delay. I believe with proper regulations they can be made efficient soldiers. We should give immediate freedom to all who enlisted and freedom at the end of the war to the families of those who discharge their duties faithfully. It would be well to accompany the measure with a well-digested plan of gradual and general emancipation.

Davis recommended the passage of this act, but it was not carried in the Congress. This is the evidence again that the sentiment was daily growing for emancipation before the war.

When we passed the eighteenth amendment the distilleries were paid for their liquor. If the Government had bought



all the slaves, the cost would have been less than 1 percent of what it did cost, besides the carnage and destruction of property.

George Washington and Jeff Davis were both classed as rebels. When rebels succeed in large strips of secession or small ones, they are world heroes. When they fail they call them traitors. Had Washington failed, the school children of our land, like the loyal children of Canada with a British flag flying on the house, would have had pointed out to them that bad man Washington who tried to break the royal domains of good King George.

Had the stationary view of the Hamiltonian Republicans prevailed no territorial expansion would have been made. They said the Louisiana Purchase was unconstitutional and that the Constitution would have to show its teeth to take it in. One old fellow, whose name I do not recall, said, "Damn her, let her show her teeth when there is that much meat in sight." They opposed the annexation of Texas and the deal where we added several other States ceded by Mexico. They opposed each and every effort to control the currency, such as the Federal Reserve Act, insurance of bank deposits, control of stock-market exchange, and countless others.

They likewise opposed income tax, election of United States Senators by popular vote, Presidential preferential primaries, and each and every law to give the people more power. They dispute Lincoln's theory of government by the people every time they have a chance to vote "no." The only thing they love about Lincoln is the block of Negro voters that were enfranchised. They would be helpless today without them.

It might be of interest to say that the Negro precinct of Hodgenville, which votes in sight of the Lincoln monument, has for nearly 20 years given one of the largest Democratic votes in the whole county. They vote on issues of today and not dead issues of 1865.

The second emancipation is rapidly progressing. They know that their welfare is with all the other poor people and not with the Liberty League. I am proud to be known in my community as a friend of the colored man, for our interest on the questions of the hour is the same. The colored man today has only one enemy, and that is that second-grade Republican politician who every 4 years tries to arouse a race prejudice where there is none in order to get a Federal job and forget the Negro the next day after election. The war is over. He must vote on the questions of the hour. There is no more reason today to say that all men whose skin is black should vote a certain way than there is that all red-headed men should be Baptists or that all bald-headed men should eat fish. Lincoln meant for him to be free and think what he was voting on. In places where he does vote there is no objection just because he is black, but his Republican enemy tells him he should vote all the time a certain way because he is a Negro. They want to keep him a political slave. Abe did not mean for that to happen.

Now, in conclusion, I want to register another protest, and that is the growing tendency to compare Lincoln and Jesus Christ in Lincoln Day orations. If I read aright, Christ had sort of a religious turn of mind, believed in worship and church organizations. Lincoln did not belong to any church at all and did nothing to keep them up. The orator in the House on February 12 went to great length on this comparison. He said the fathers of both were carpenters. Why, Mary's husband was not Christ's father. Unless this tendency is checked, I fear that eventually on Easter Day they will be trying to popularize Christ because he was so much like Abe.

In 1835 Lincoln wrote a book on infidelity with a view of publication. His friends burned it up because of the fear that it would injure him politically, so writes his law partner, W. H. Herndon. His first cousin, Dennis Hanks, said Abe would stand in front of the backwoods meeting houses in early days and make fun of the preacher. Quoting Dennis:

He frequently reproduced the sermon with a nasal twang, rolling his eyes, and all sorts of droll exaggerations, to the great delight of the wild fellows assembled; sometimes he broke out with stories passably humorous and invariably vulgar.

When he ran against Douglas it was charged that his language was vile and that he was foul-mouthed, and his friends apologized and said he told the jokes for the wit and not the smut that was in them. I think the comparison is sacrilegious. Besides, it takes away all the admiration of those who want to remember Abe as "one of the boys."

There is one thing heard over the radio, and occasionally elsewhere on Lincoln day, and that is when they say he was a God-sent man. Since the advent of the Prince of Peace I do not believe the Lord follows that plan of arraying man against man, and is not present directing murder when committed individually or collectively.

If so, then it is useless to prepare for defense. Did it ever occur to such unthinking users of this sacrilegious bunk that the Lord could change a man's mind and have him do His will just as easy as to send a man to shoot his brains out to correct his thinking machine? We read occasionally where some fellow said the Lord told him to go and kill a man, but they generally hang him or send him to the asylum for the act. I believe hatred, prejudice, revenge, and war is still the work of the devil and not divinely directed.

The gentleman [Mr. REED] quoted the passage, "Suffer little children to come unto Me." Sherman on his march through Georgia said the same, giving a different meaning to the word "suffer", and he said war was hell.

In summary, Lincoln and Jefferson were in accord on both the form of government and its practice, and Lincoln today would be a New Deal Democrat and not a reactionary Hamiltonian standpat Republican.

Napoleon said the Lord fights on the side of the strongest battalion. Whether he does or not, history records that side as most generally victorious. I present another view of divine intervention which is sometimes suggested. This came from a colored friend of mine. He said that he believed the ten or twelve million colored people now here in the light of civilization, and with the opportunity of embracing Christianity, were divinely directed to be brought over here, away from false gods and savage wilds, and that these 12,000,000 souls would never have known the light if not so brought—so there you are. One view says that those who brought them were divinely guided, another view saying that the man who directed the slaughter of those who brought them was divinely directed. All I know is that one is wrong, and perhaps both.

Every other civilized nation on earth that ever held slaves freed them without internal war, and for that reason I say it would have been done in America not long after it was done otherwise. In the light of conscience the change was coming fast.

Abe, while a Member of this House, was chided by colleagues for support of Zachary Taylor, accused of deserting principles, and he and his people attempting to ride into office on the military coattails of General Taylor. He replied by saying that the other side had long ridden in on the military coattails of General Jackson; and then told, as appears in the records of this House, one of his risqué stories of a man who advertised to sell a bottle of medicine that would make a young man out of an old one and have enough of the stuff left to make a little yellow dog. He said the opposition had done this and had enough of the stuff left to elect several small men to the Presidency. He said: "Like a horde of hungry ticks they still seek their substance from that coattail long after he is dead." How well does this apply to some of Abe's own following today when they, too, have deserted Abe's principles of government "by the people" and made it read "by the few", and yet they say today that both Abe and they are Republicans. They should say, in name only. Why, he would not have anyone else to run with him as Vice President the second time but an outstanding Democrat, Andrew Johnson.

Like Abe's words, "With charity toward all and malice toward none", let us neither deify Abe nor send to hell those typical Christian, princely gentlemen, Jefferson Davis and Robert E. Lee.

When all tendency to distort facts has ceased about this controversy, arising from legal and technical misunderstanding, the correct interpretation may be salvaged for history.



This misunderstanding, in the language of my friend, Judge O. M. Mather, of Hodgenville, will be looked upon as one over which the "angels well may weep."

The Republican Party today can successfully be charged with the following misdemeanors in the use of Abe's name: Desecration of the grave, slander of the dead, obtaining office and other goods of value under false pretense, improper labeling of propaganda and other political food, polluting the channels of public information, intimidating and alarming Negro voters by false information. And of all of Abe's supposed Republican friends they sit idly by and allow this misrepresentation to go on, so it remains for a Democrat to enter a protest in behalf of justice for Lincoln. As heretofore stated, there never was and never will be but two political parties—one representing the select few, the other attempting to exact more for the masses. Lincoln belonged to the one whose ideal was to help the common man.

For 12 years, 1920 to 1932, we had in office three of the best Republicans this country ever saw—that is, being 100-percent Hamiltonian Republicans and unswerving in their duty to Hamilton's chosen few—but, as usual, when you give them about that much time unmolested they hang themselves—and now the Republicans talk about socialism and communism. I have no time for either socialism or communism, or any such un-American doctrines, but I want to call attention to the fact that Hooverism and its practice produced the disease of communism and socialism.

This administration did not produce any of it; all that is here was inherited. I ask any thinking man how much communism he thinks we would have had if Hoover had been reelected? The Roosevelt administration has reduced and checked this tendency by restoring hope in the masses. This administration is different from the other and not subservient to special interests.

Under the 12 years of the three Republicans named, all running true to form, we were fast drifting to the same two classes that mark the old governments of Europe—protected aristocracy on the one hand and extreme radicalism on the other. Mark Hanna said in 1900 that there would be only two political parties in 1920, one the conservative and the other the Socialist. Of course, he could not foresee the 8 years of Woodrow Wilson from 1912 to 1920. Thus the Democratic Party at that time reversed the tendency toward radical ideas, just as it has done in the present administration. If you want one-half of the people of this Nation to be Socialists and Communists, the best way on earth to produce them is to give us two or three administrations of typical Republicans running true to historical form. The Republican Party's tenure in office has always been following a wave in which party lines were cut and the issue other than Hamiltonianism and Jeffersonianism. That is the way they came in during the Civil War.

They rode in again following the World War, under fear of foreign entanglements. Their one stock phrase and argument is pointing to growth of the country in the quarter century following the Civil War.

For a hundred years the Democratic Party had built such a firm foundation in almost continuous power that the country was robust enough that it could carry on its neck the handicap and weight of the Republican jockeys. They, according to the same analysis, are responsible for the rapid growth of Canada, Japan, and Australia at the same identical period of time. This was the age of invention and the growth of the world, and not because of the fact that a few insignificant Republican Presidents were in power in the United States following Lincoln. So the Republicans meet today and call on the tomb of Lincoln to send Abe's spirit to be present at their questionable undertakings, but Abe's spirit is present neither in person nor by proxy—their call is in vain, for the prayer of the wicked availeth nothing. If nobody else will do it, I, as a Democrat, wish to enter protest for the continued misrepresentation of one of LaRue County's native sons, who believed that all men are created free and equal and that the government of the people, by the people, for the people should never be entrusted to the Liberty League and their kind in any period of our history.

Fearing the temper of the destitute, bordering on desperation, they slunk away when choked off the neck of their victims.

They sullenly retired to count their money, devise crooked schemes to evade taxes, and invoice the loot from the 12-year raid.

The present administration made a hasty blood transfusion into the masses, cutting some red tape, for desperate remedies are justified by desperate cases.

Since this blood transfusion has brought back a degree of recovery and restored color to the cheeks of the laboring man and the farmer, the Republican Party's chosen few come out of hiding and now clamor for license to set up on the corner the old get-rich-quick skin games and want laws repealed which hamper their operations. This is the issue in 1936.

And they want to take good, old-fashioned, homespun, honest Abe and make him an accomplice in the conspiracy.

The ultra conservatives, the Hamiltonians, opposed the improvement of rivers and harbors when Lincoln was a Member of this House. They said there was no authority given in the Constitution. Lincoln's chief speech as a Member of this House was the one on internal improvements in which he scorned the argument that such was not intended to be done and took the view that each and every activity of life could not be anticipated, and authority for action could not be written in a short constitution.

In Hamilton's day, in Lincoln's day, in the present day, on the floor of this House, as shown by thousands of roll calls, every bill of every nature which seeks as its object to make the 3 percent give up something to the 97 percent, the Republican Party stands true to form and so does the Democratic Party. It is the same history in every State legislature of the Union. Of course, there is an occasional black sheep found in each party, some fellow who imagined that he was a Democrat or Republican until the acid test came and he found he was in the wrong boat.

And the poor colored man, tutored on prejudice and cultivated malice of ancient issues, have been corralled together to vote against agriculture and labor in past campaigns, as if he had anything in common in legislation that the Liberty League or multimillionaire club wanted. Such is a civic crime to so mislead these people.

If the colored people want to follow "Abe", they should find out what he stood for in the other things that we now vote on.

If the colored voter of today could receive a message from Lincoln, he would be told to stand up like other men—intelligent Americans—study each question in each election that came, and vote in a manner which showed that he wanted to do the best for agriculture, labor, and the poor man. It is an open insult to the intelligence of every thinking colored man to say to him that regardless of issues of wet or dry, labor or capital, farm or factory, East or West, higher or lower wages, that he should vote in a block blindfolded on issues dead and buried three-quarters of a century ago, often voting for his own starvation and nakedness and inflicting the same on the white laborers of same circumstances.

The Republican Party, which stands by the Power Trust in the Nation and in all States of the Union, is not for cheaper electricity in the home of the white or colored common man. This illustration could be multiplied a thousandfold. There are but two parties in all history, in all countries. One seeks to protect the high and mighty, the other seeks to protect the people from extortion and promote their general welfare. And this being the well-known line of demarcation, who would say that Lincoln was a Republican, if living in 1936? On behalf of his memory I solemnly protest.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1937—CONFERENCE REPORT

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.



The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 9, 10, 11, and 12.

C. A. WOODRUM,  
WILLIAM J. GRANFIELD,  
JED JOHNSON,  
EDWARD C. MORAN, Jr.,  
JAMES M. FITZPATRICK,  
R. B. WIGGLESWORTH,

*Managers on the part of the House.*

CARTER GLASS,  
JAMES F. BYRNES,  
FREDERICK HALE,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and embodied in the accompanying conference report, as to each of such amendments, namely:

On no. 1: Authorizes the American Battle Monuments Commission to use not to exceed \$1,200 of its appropriation for the purchase and repair of uniforms for caretakers of national cemeteries and monuments in Europe.

On no. 2: Corrects a typographical error.

On nos. 3 and 4: Appropriates \$1,407,000 for salaries and expenses of the Federal Trade Commission, as proposed by the Senate, instead of \$1,399,000 together with an unexpended balance of \$8,000, as proposed by the House.

On no. 5: Authorizes \$190,000 of the appropriation of \$847,000 for regulating accounts, Interstate Commerce Commission, for personal services in the District of Columbia, as proposed by the Senate, instead of \$170,000, as proposed by the House.

On no. 6: Authorizes \$90,000 of the appropriation of \$500,000 for safety of employees, Interstate Commerce Commission, for personal services in the District of Columbia, as proposed by the Senate, instead of \$87,900, as proposed by the House.

#### Amendments in disagreement

The committee of conference report in disagreement, amendments numbered 7 to 12, inclusive:

On nos. 7 and 8: Striking out the House provision appropriating \$160,000,000 for the adjusted-service certificate fund, under the Veterans' Administration, and inserting a provision appropriating \$1,730,000,000 for adjusted-compensation payments, with incidental provisions, and correcting a total.

On no. 9: Making an appropriation of \$440,000,000, together with an unexpended balance of \$30,000,000, for carrying out the purposes of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act.

On nos. 10, 11, and 12: Correcting section numbers.

C. A. WOODRUM,  
WILLIAM J. GRANFIELD,  
JED JOHNSON,  
EDWARD C. MORAN, Jr.,  
JAMES M. FITZPATRICK,  
R. B. WIGGLESWORTH,

*Managers on the part of the House.*

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. WOODRUM. Mr. Speaker, amendments 7 and 8 relate to the same matter, and I ask unanimous consent that they may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amendment no. 7: On page 40, beginning in line 9, strike out down to and including line 19 and insert:

"Adjusted-compensation payments: To carry out the provisions of the World War Adjusted Compensation Act, 1924 (Public, No. 120, 68th Cong.), enacted May 19, 1924, as amended, and the Adjusted Compensation Payment Act, 1936 (Public, No. 425, 74th Cong.), enacted January 27, 1936, except section 5 thereof, \$1,730,000,000 to the adjusted-service certificate fund, to be immediately available and to remain available until expended, and such amount as represents the face value of the bonds required to be paid to the United States Government life-insurance fund pursuant to section 5 of said act is hereby directed to be charged to any moneys in the Treasury not otherwise appropriated for transfer and deposit as a public-debt receipt."

Amendment no. 8: Page 41, line 17, strike out "\$753,727,000" and insert in lieu thereof "\$2,323,727,000."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendments nos. 7 and 8 and concur in the same.

The motion was agreed to.

#### POINT OF NO QUORUM

Mr. CRAWFORD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is not a quorum present.

Mr. WOODRUM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

#### [Roll No. 39]

Adair	Englebright	Kerr	Richardson
Andrews, N. Y.	Evans	Knutson	Robison, Ky.
Barden	Farley	Larrabee	Rogers, N. H.
Berlin	Fish	Lee, Okla.	Romjue
Bolton	Flannagan	Lewis, Md.	Schaefer
Brennan	Gasque	Lord	Schulte
Brewster	Gifford	Lundeen	Secrest
Brooks	Gingery	McGroarty	Short
Buckbee	Gray, Pa.	McLean	Snyder, Pa.
Bulwinkle	Green	McLeod	Steagall
Cartwright	Gwynne	Marshall	Sweeney
Casey	Harlan	Montague	Taylor, Tenn.
Claborn	Hennings	Montet	Thomas
Clark, Idaho	Higgins, Mass.	Moritz	Tonry
Corning	Hobbs	Norton	Turner
Dear	Hoeppel	Oliver	Underwood
Dempsey	Johnson, W. Va.	Pettengill	Wood
DeRoven	Kee	Rayburn	Zioncheck
Doutrich	Keller	Reece	
Drewry	Kelly	Reilly	
Eckert	Kennedy, Md.	Richards	

The SPEAKER. Three hundred and forty-nine Members are present, a quorum.

On motion of Mr. WOODRUM, further proceedings under the call were dispensed with.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 3, 1936:

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnellville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

On March 4, 1936:

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.

On March 6, 1936:

H. R. 7147. An act authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries, to include both drainage basins and their outlets, in



Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods.

On March 14, 1936:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes;

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees; and

H. J. Res. 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

#### RELIEF OF UNEMPLOYMENT (H. DOC. NO. 427)

The SPEAKER laid before the House the following message from the President of the United States, which was referred to the Committee on Appropriations and ordered printed:

#### *To the Congress of the United States:*

In my Budget message of January 3, 1936, I reserved making a recommendation for an appropriation for the relief of unemployment, stating that an estimate and recommendation could be better made at a later date. I am now prepared to submit such a recommendation, and this message should be regarded as supplemental to the Budget message.

In asking the Congress for an appropriation to meet the needs of the destitute unemployed during the coming fiscal year, certain facts should be clearly set forth.

First. Since the spring of 1933, there has been a gain in reemployment in each successive year. At least 5,000,000 more people were at work in December 1935 than in March 1933.

Second. In spite of these great gains, there are at present approximately 5,300,000 families and unattached persons who are in need of some form of public assistance—3,800,000 families and unattached persons on the works program and 1,500,000 on local and State relief rolls. Every thinking person knows that this problem of unemployment is the most difficult one before the country.

Third. These figures, large as they are, do not, of course, include all those who seek work in the United States. In none of these figures is included the many unemployed who are not on relief but who are experiencing great difficulties in maintaining independent support. Neither are there included many others not on the relief rolls who are content with occasional employment; nor some who are so constituted that they do not desire to work; nor many young people who cannot get work and are obliged to share the livelihood earned by their parents. Because of the impossibility of an exact definition of what constitutes unemployment, no figures which purport to estimate the total unemployed in the Nation can be even approximately accurate.

Fourth. Nearly all the 1,500,000 unemployable families or unemployable unattached persons are being cared for almost wholly from State or local funds. A very small number of these families or individuals have begun to receive a comparatively small amount of Federal aid under the provisions of the Social Security Act.

The foregoing figures indicate the problem before us. It is a problem to be faced not merely by the Congress and the Executive, not merely by the representatives of government in the States and localities, but by all of the American people. It is not exclusively the problem of the poor and the unfortunate themselves. It is more particularly the problem of those who have been more fortunate under our system of government and our economy.

It will not do to say that these needy unemployed must or should shift for themselves. It will not be good for any of us to take that attitude. Neither will it do to say that it is a problem for the States and the localities. If we concede that it is primarily the duty of each locality to care for its destitute unemployed, and that if its resources are inadequate, it must then turn to the State for help, we must still face the fact that the credit and the resources of local governments and States have been freely drawn upon in the last few years, and they have not been sufficient.

It has been said by persons ignorant or careless of the truth that Federal relief measures have encouraged States, counties, and municipalities to shirk their duty and shift their financial responsibilities to the Federal Government. The fact is that during 1935 State and local governments spent \$466,000,000 for emergency relief, which was 13 percent more than these governmental bodies spent in 1934, 49 percent more than they spent in 1933, and 58 percent more than they spent in 1932. Let it also be noted that the great majority of State and local governments are today taking care not only of the 1,500,000 unemployables, but are also contributing large amounts to the Federal works program.

To expect that States and municipalities should at the present time bear a vastly increased proportion of the cost of relief is to ignore the fact that there are State constitutional limitations, and the fact that most of our counties and municipalities are only now emerging from tax delinquency difficulties. Let us further remember that by far the largest part of local taxes is levied on real estate. To increase this form of tax burden on the small property owners of the Nation would be unjustified. It is true that some States, fortunately few, have taken an undue advantage of Federal appropriations, but most States have cooperated wholeheartedly in raising relief funds, even to the extent of amending State constitutions. It is not desired in the next fiscal year to encourage any State to continue to shirk. The Federal Government cannot maintain relief for unemployables in any State.

The Federal Government, then, faces the responsibility of continuing to provide work for the needy unemployed who cannot be taken care of by State and local funds.

During the current fiscal year the cost of relief actually paid out of the Treasury will amount to approximately \$3,500,000,000.

During the next fiscal year, 1937, more than \$1,000,000,000 will be spent out of the Treasury from prior-year appropriations. Practically all of these expenditures will be from allocations made to large projects which could not possibly be completed within this fiscal year. In addition to this amount, the Budget contains estimated expenditures aggregating \$600,000,000 from appropriations recommended for the Civilian Conservation Corps and various public works.

If to this total of \$1,600,000,000 there were added \$2,000,000,000 to be expended for relief in the fiscal year 1937, the total for this purpose would just about equal the amount that is being now expended in the fiscal year 1936. An appropriation in this amount would be within the limit set by the Budget message, and would in effect provide for the third successive year a reduction in the deficit.

This statement as to the Budget program, of course, depends upon the action of the Congress with respect to the substitute taxes, the reimbursement taxes, and the new taxes which I have recommended to replace the lost revenues and to supply the new revenue made necessary by the decision of the Supreme Court invalidating the Agricultural Adjustment Act and by the action of the Congress in appropriating for the immediate payment at the 1945 value of the veterans' adjusted-service certificates. This latter action, as you will recall, required additional revenue in the amount of \$120,000,000 annually for 9 years. The agricultural program requires annual substitute taxes of \$500,000,000, and there must be raised within the next 3 years \$517,000,000 of revenue to reimburse the Treasury for processing taxes lost in this fiscal year by reason of the Supreme Court's decision.

I am, however, not asking this Congress to appropriate \$2,000,000,000.

I am asking only for an appropriation of \$1,500,000,000 to the Works Progress Administration. It will be their responsibility to provide work for the destitute unemployed. This request, together with those previously submitted to the Congress to provide for the Civilian Conservation Corps and certain public works, will, if acted upon favorably by the Congress, give security during the next fiscal year to those most in need, on condition, however, that private employers hire many of those now on relief rolls.



The trend of reemployment is upward. But this trend, at its present rate of progress, is inadequate. I propose, therefore, that we ask private business to extend its operations so as to absorb an increasing number of the unemployed.

Frankly, there is little evidence that large and small employers by individual and uncoordinated action can absorb large numbers of new employees. A vigorous effort on a national scale is necessary by voluntary, concerted action of private industry.

Under the National Recovery Administration the Nation learned the value of shorter hours in their application to a whole industry. In almost every case the shorter hours were approved by the great majority of individual operators within the industry. To the Federal Government was given the task of policing against the minority who came to be known as "chiselers." It was clear that "chiseling" by a few would undermine and eventually destroy the large, honest majority. But the public authority to require the shorter hours agreed upon has been seriously curtailed by limitations recently imposed by the Supreme Court upon Federal as well as State powers.

Nevertheless, while the provisions of the antitrust laws, intended to prohibit restraint of trade, must and shall be fully and vigorously enforced, there is nothing in these or any other laws which would prohibit managers of private business from working together to increase production and employment. Such efforts would indeed be the direct opposite of a conspiracy in restraint of trade. Many private employers believe that if left to themselves they can accomplish the objectives we all seek.

We have learned the difficulties of attempting to reduce hours of work in all trades and industries to a common level or to increase all wage payments at a uniform rate. But in any single industry we have found that it is possible by united action to shorten hours, increase employment, and at the same time maintain weekly, monthly, or yearly earnings of the individual. It is my belief that if the leaders in each industry will organize a common effort to increase employment within that industry employment will increase substantially.

Insofar as their efforts are successful, the cost to the Federal Government of caring for the destitute unemployed will be lessened; and, if the employment gains are substantial enough, no additional appropriation by the next Congress for the fiscal year 1937 will be necessary.

The ultimate cost of the Federal works program will thus be determined by private enterprise. Federal assistance which arose as a result of industrial disemployment can be terminated if industry itself removes the underlying conditions. Should industry cooperatively achieve the goal of reemployment, the appropriation of \$1,500,000,000, together with the unexpended balances of previous appropriations, will suffice to carry the Federal works program through the fiscal year 1937. Only if industry fails to reduce substantially the number of those now out of work will another appropriation and further plans and policies be necessary.

It is the task of industry to make further efforts toward increased output and employment, and I urge industry to accept this responsibility. I present this problem and this opportunity definitely to the managers of private business, and I offer in aid of its solution the cooperation of all the appropriate departments and agencies of the Federal Government.

My appeal is to the thinking men who are assured of their daily bread. However we may divide along the lines of economic or political faith, all right-minded Americans have a common stake in extending production, in increasing employment, and in getting away from the burdens of relief.

Those who believe that Government may be compelled to assume greater responsibilities in the operation of our industrial system can make no valid objection to a renewed effort on the part of private enterprise to insure a livelihood to all willing workers. Those, on the other hand, who believe in complete freedom of private control without any Government

participation should earnestly undertake to demonstrate their effectiveness by increasing employment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 18, 1936.

#### PERSONAL PRIVILEGE

Mr. McSWAIN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from South Carolina will state his question of personal privilege.

Mr. McSWAIN. Mr. Speaker, just before the Clerk began the reading of the message from the President of the United States, I was served with a copy of a letter issued by the chairman of the Senate committee investigating lobbies, known generally as the "Black committee." I was served by a representative of that committee who advised me that they are giving this letter to the press, and that it was officially sent to me. I desire the Chair to hear the following communication. This is addressed to the Western Union Telegraph Co. by the Black committee, dated today.

MARCH 18, 1936.

THE WESTERN UNION TELEGRAPH CO. AND MR. T. B. KINGSBURY:

Since the telegram subpoenaed by this committee was immediately followed by editorials in the Hearst publications attacking Hon. JOHN J. McSWAIN, a Member of the House of Representatives and the chairman of its Committee on Military Affairs, the committee finds an added reason to believe that the interests of the Western Union Telegraph Co. would be still more strongly cemented to those of its patron, William Randolph Hearst. The Western Union Telegraph Co. would naturally not desire to bring out the fact that an effort had been made by its patron to intimidate and coerce in the performance of its legislative duty a Member of Congress, whose reputation for loyalty and patriotic service is above criticism and has never been questioned throughout many years of devoted public service until this secret effort of William Randolph Hearst to assassinate his character.

In view of the fact that the matters hereinabove set forth refer to Hon. JOHN J. McSWAIN, a Member of the House of Representatives, it is hereby directed by the committee that a copy of this communication be sent to him.

Very truly yours,

HUGO L. BLACK, Chairman.

Mr. Speaker, the telegram that William Randolph Hearst sent to James T. Williams, Jr., editorial writer for the Hearst papers at Washington and throughout the country, dated April 5, 1935, addressed to him at room 403, no. 261 Constitution Avenue, Washington, D. C., reads as follows:

[Confidential]

LOS ANGELES, CALIF.

Why not make several editorials calling for impeachment of Mr. McSWAIN? He is the enemy within the gates of Congress, the Nation's citadel. He is a Communist in spirit and a traitor in effect. He would leave United States naked to its foreign and domestic enemies. Please make these editorials for morning papers. Also make editorials extolling administration for its preparedness policies, which are its main achievement. Suggest advocating duplicating West Point in Middle West, and Annapolis on Pacific coast.

W. R. HEARST.

Mr. Speaker, for several years prior to that time many editorials had appeared in the Hearst paper known as the Washington Times under the signature of James T. Williams, Jr., attacking me personally and questioning my loyalty to the cause of national defense. I had attributed it, Mr. Speaker, to a purely personal animosity and hostility.

James T. Williams, Jr., was raised in Greenville, S. C., which is my home. I think we are not far from the same age, but I am older. It is true we did not go to school together, because I was not raised in the city. I am just a plain country boy. But James T. Williams, Jr., was raised in the city. After I became, by reason of seniority only, chairman of the Committee on Military Affairs, facts came to my attention that convinced me that certain officers in the Army ought to be investigated, and by authority of this House I proceeded to investigate them. One of the officers who was investigated was Gen. Alexander E. Williams, of North Carolina. I happen to know, from reputation at least, that James T. Williams, Jr.'s father—a lifetime Democrat and honored citizen of the city of Greenville, formerly its mayor, an honored Confederate veteran now over 90 years



old—was also raised in North Carolina. I do not know whether he and General Williams are any kin or not, but they are both named "Williams" and both come from the same State.

Those things were repeated so many times in these papers that I have been terribly annoyed, sometimes not being able to sleep because of these unjust attacks, and oftentimes going to the front piazza and seizing the afternoon paper and never letting it reach the eyes of my wife and daughters, because the hurt to them was what hurt me, in having my integrity, my honesty, my patriotism, and my loyalty to this Nation questioned by this little penpusher, Williams. [Applause.]

I offered my life as proof of my loyalty to this Nation. [Applause.] I volunteered also for the Spanish-American War [applause], but I was never enlisted, because the trustees of the school I was then teaching persuaded me that it was my duty to stay with that school from April, when the first South Carolina volunteer regiment was being formed, until June, at which time school closed. They told me that by that time I could enter some subsequent regiment that would be organized. Immediately when school was out I went to the capital of the State, where the second regiment was being enlisted, and as I got off the train, there in the same station the train that was taking the second regiment out was moving away from the station to go to Florida. No third regiment was ever organized, because the war was brought to a close by the protocol after the destruction of Cervera's fleet down here in the Caribbean Sea.

James T. Williams, Jr., is old enough to have volunteered in two wars, but I never heard of him baring his breast in either one. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield for a brief question.

Mr. BLANTON. I think every Member of the House will assert that there is not a braver and more loyal or patriotic Member of the House than our friend from South Carolina [Mr. McSWAIN]. [Applause.]

Mr. McSWAIN. Mr. Speaker, this is no pleasant task to me. I sought to avoid it. Assuming these attacks by James T. Williams were purely personal and did not have the endorsement or approval of William Randolph Hearst, and hoping that my wife and daughters might be able in peace to read the afternoon papers, on March 6, 1934, I wrote to William Randolph Hearst. But let us go back a little bit. I just snatched these few papers together after I got this notice a few minutes ago from the Senate committee.

I wired Mr. Hearst on March 5, 1934, care Hearst Ranch, San Simeon, Calif.:

Committee on Military Affairs unanimous for increase in strength and efficiency of Air Corps of the Army. However, effort for investigation of Army activities not prompted by partisanship but merely by desire to get value received for money spent for defense purposes. I have been a strong advocate for increased air power for 15 years. I have several bills now pending in Congress to strengthen the air force. We have counted on you and Arthur Brisbane as our strongest allies. If you wish I will send you copies of my bills with brief explanation. Respectfully ask you to suspend judgment on any representations to the contrary until you get all the facts which I am offering to send you. With these facts you can quickly form judgment.

J. J. McSWAIN,  
Member of Congress.

I received the following telegram from W. R. Hearst the same day addressed to me:

Thanks. I shall be delighted to read the bills and do what I can to increase the strength and efficiency of the Air Corps of Army.

(Signed) W. R. HEARST.

Having received this wire from him in response to mine, I wrote to Hearst on March 6 as follows:

MY DEAR MR. HEARST: Complying with my offer to send you full information concerning my personal activities and the attitude of the Committee on Military Affairs concerning national defense generally and the Air Corps of the Army specifically, I am submitting this brief statement of the case to accompany the bills to which I will refer. My telegram of yesterday was prompted by what I judged to be the implications contained in an editorial contribution which appeared in the Washington Times on March 5, 1934.

That was one of these many attacks by James T. Williams, Jr., on me. I have not that editorial before me, but I happen to have in my pocket an editorial signed by James T. Williams, Jr., dated December 6, 1935, which appeared in the Washington Times; and, among other things, this editorial made the following statement. By the way, the editorial is headed "A Critical Session With Regard to National Defense":

Unfortunately the House Committee on Appropriations has as its chairman a Representative in Congress, Mr. BUCHANAN, of Texas, who has been all too ready in the past to play politics with the common defense. Unfortunately the House Committee on Military Affairs is afflicted with a chairman whom the President of the United States was forced to rebuke publicly for giving world-wide publicity to some of the most vital secrets involving the common defense. This chairman, Mr. McSWAIN, has done his best since he became chairman of this committee to discredit the Military Establishment, destroy public confidence in the United States Military Academy, and incite public suspicion of the commissioned strength of the Regular Army.

Why this talk about suspicion of the commissioned strength of the Regular Army? Did he refer to the court martial and discharge from the Army of Brigadier General Williams? General MacArthur, when he phoned me and notified me of the verdict of the court martial, declared, speaking of Williams:

He is as guilty as hell.

The same thing may be said of the court martial of Colonel McMullen. You gentlemen know how this committee, working for the country and under authority of the Congress, has unearthed conditions that will, when corrected, result in a saving to this Government in the distant future of, not tens of millions of dollars, but perhaps hundreds of millions of dollars in maintaining our Military Establishment.

Now I continue reading my letter to W. R. Hearst, dated March 6, 1934:

My telegram of yesterday was prompted by what I judged to be the implications contained in an editorial contribution which appeared in the Washington Times on March 5, 1934. That implication, to my mind, is a clear effort to charge that the Democratic leadership in the House of Representatives is playing politics with the national defense, and especially as it relates to the Army Air Corps. "House leadership" in this case cannot refer to anybody except myself and the members of the Committee on Military Affairs. Neither the Speaker nor the floor leader, or any other leader in the House of Representatives, has taken any action or assumed any responsibility whatsoever in connection with the matters hereinafter referred to, and especially with reference to the investigation of War Department expenditures, which is evidently referred to in said editorial comment. I am sure that when you know the facts you will be convinced that no more loyal friend of the Air Corps is to be found anywhere than I am, though I do admit I am a disciple often of yourself and of Arthur Brisbane in this respect.

A personal word first. At the age of 42, married and with a child, I volunteered, entered the first training camp, was later commissioned as captain of Infantry, and served as such until discharge on March 8, 1919. I served about 6 months in France. But my interest in aviation as a powerful weapon in war began at that time. Frail and slow as our machines then were, I could visualize the progress that American invention and the scientific studies of other nations would be sure to bring in the way of increasing the speed and lifting power of aircraft. I have ceaselessly studied the subject ever since and took a very active part in the framing of the Air Corps bill which became law on July 2, 1926. In fact, the provisions of section 10 of that act, relating to the procurement of aircraft, and especially the provisions as to design competitions and competitions in performance and safety, are the product of my own thinking.

And if Mr. FRED VINSON is on the floor I am sure he will confirm this.

Continuing to read:

Furthermore, from the time I entered Congress in March, 1921, I fought hard for the enactment of law of some kind to prevent profiteering during war in war munitions, and also to regulate profits made by munitions makers during peace. I was the author of several resolutions seeking to set up a commission of citizens and Members of Congress to study this huge question. Finally, these efforts resulted in the passage of a joint resolution which created the War Policies Commission, and I was appointed by Speaker Longworth as a member of that Commission, and the records of that Commission will show the active interest and the hard work I did as a member thereof.

On March 20, 1933, I introduced House Concurrent Resolution 6, seeking to carry out the pledge in the Democratic platform to make a survey of all facts affecting the existing national



defense establishments, and I enclose a copy thereof. Being unable to get action thereon, and being advised that a House committee would be preferable, on January 11, 1934, I introduced House Resolution 219, copy of which is herewith submitted. After making a vigorous effort for more than 30 days to get favorable action on this resolution, and being finally advised that it would be better that the investigation should be made by the Committee on Military Affairs, on February 20, 1934, I offered House Resolution 275. This proposal was unanimously approved by the 25 members of the Committee on Military Affairs, and when we went before the Committee on Rules, it was unanimously approved by that committee. When the resolution came up for consideration in the House, and when the vote was taken upon the passage of the resolution, there was not a dissenting vote. The committee has been working hard for more than 30 days to investigate these very facts, but has found that it cannot pursue the many ramifications without the help of additional examiners, auditors, and technical experts. That is why we are asking for only \$10,000 as expense money, and this has been reported unanimously by the Committee on Accounts.

Now as to the matter of increasing the power and efficiency of the Air Corps. When the Vinson bill was under consideration by the House, and it was manifest that it would pass with an amendment authorizing the increase of the number of planes in the Navy by nearly 1,200, the Chief of Staff of the United States Army sent General Foulis to me asking me to introduce an amendment to that bill authorizing the increase in the number of planes for the Army in the proportion that 1,000 bears to 1,800. The acts of Congress of 1926 authorized 1,000 planes for the Navy and 1,800 for the Army, and this suggestion by the Chief of Staff would increase the authorized strength of the Army Air Corps from 1,800 planes to 3,932 planes. I declined to offer the amendment, because Army legislation had no place upon a Navy bill, but expressed my intention of offering independent legislation to be considered by the Committee on Military Affairs. I expressed myself heartily in favor of the increase, and more, and announced hearings to be had by the committee to which the Chief of Staff, the Deputy Chief of Staff, and other General Staff officers were invited and did attend and testify. The Chief of Staff submitted to me the draft of a bill which I introduced without any change whatsoever on February 1, 1934, copy of which I enclose as H. R. 7553. On the next day, February 2, 1934, I introduced as my own bill H. R. 7601, copy of which is enclosed, and this bill does set up the framework of a real effective fighting air force.

And, Mr. Speaker, to the same effect, through page 4, page 5, page 6, and page 7, I cite Mr. Hearst to bills, resolutions, and instances of my personal zeal and energy for better national defense, and especially by increased air power, and then, after concluding the letter, I added this postscript:

Since Mr. Williams has quoted an extract from a statement by Representative Martin of Oregon, who is a retired major general in the United States Army, I thought it might be interesting to send you page 33 of the hearings held in the Seventy-second Congress before the Committee on Expenditures in the Executive Departments upon a bill introduced by Representative BYRNS, of Tennessee, now Democratic floor leader, to set up a single Department of National Defense, with three subdivisions for land warfare, sea warfare, and air warfare. On January 23, 1932, Representative and former General Martin made a long statement of about 20 pages, and as indicating his attitude toward the Air Corps and toward the editorials by Mr. Brisbane. I am also sending you this extract.

In other words, I sent him my testimony supporting the bill that the then floor leader, now the Speaker of this House, had introduced, and which was then under consideration, and then I say:

In all charity, Mr. Martin has not caught up with the trend of thought upon military problems affecting the future war. He is still thinking in terms of the Spanish-American War, which happened 11 years after he graduated at the Military Academy. While at the Academy he was taught in terms of Gettysburg.

Now, Mr. Speaker, this was on March 6, 1934. It was sent by registered mail, special delivery, air mail. No answer to this communication from that day to this has ever come to me, but the next year, 13 months lacking 1 day after my letter to W. R. Hearst, with this knowledge in his mind, the citations coming from me taken from the records, the records of the War Department, the records of this House, the records of the committee, on the bills I have fought for on this floor, he sends this telegram to Mr. Williams. I had been charitably thinking that Mr. Williams was pursuing a little petty, personal spite of some sort that I need not recite here, other than the fact that I was getting on the trail of Brigadier General Williams, from North Carolina, and I thought that when I notified Mr. Hearst of the facts, that he would see the wrong and harm done me of allowing his editorial writer to vent his personal spleen, not based on facts. I know a public man must face the facts. I think I know a

little about what the law is and what the rights of newspapers are, and as long as they tell the facts on me I know I have got to take it. I wanted to give them the facts, and I gave them the facts, and I had a right to assume that false, malevolent, unfounded, wicked, malicious, personal abuse would cease; but it did not. It started up, under a full head of steam, 13 months thereafter, because William Randolph Hearst told James T. Williams to turn on the spigot of venom and of spite and of falsehood and of assassination of character, and charged that I was a Communist. [Laughter.] God save the mark! It seems to be his tactics to charge just anything against a man, irrespective of the truth.

Is not my record plain? Are not the speeches I have made on this floor, the speeches I have made over the radio and in different parts of the country some evidence of the fact that I am not a Communist? Do I not believe in national defense? Are there no witnesses here facing me today who know that I believe in national defense? But I, as responsible to the people and as your responsible agent, insist that it is the duty of the members of our committee to do our own thinking.

I think one trouble with this little James T. Williams, Jr., was that I did not take orders from the War Department, and as long as I am here I shall never take orders. I will do my own thinking. When I agree with them then it is all right and fine; and when I think they are wrong, on my responsibility and on my judgment as a constitutional spokesman of this Government and as your agent, I will dare to say so. [Applause.]

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield very briefly, please.

Mr. HILL of Alabama. Mr. Speaker, I have served for 12 years on the Committee on Military Affairs with the gentleman from South Carolina [Mr. McSWAIN]. I can testify from my own personal knowledge that the facts he has given this House as to his own record of service are absolutely true and correct, and I want to say that during my service on the committee I have never known any member to carry out his duties more indefatigably, more conscientiously, or more assiduously than the gentleman from South Carolina [applause]; in fact, the gentleman has been so eager and so intense and has labored so hard and so tirelessly that at times I have remonstrated with him, telling him that he was breaking himself down working in the cause of national defense. No man on the committee during the 12 years I have been there has contributed more to the cause of national defense or served it better or more unselfishly or more valiantly than the gentleman from South Carolina, and, frankly, I had just as soon rise on this floor and question the loyalty, the devotion, and the patriotism of John J. Pershing as to question the loyalty, the devotion, or the patriotism of the gentleman from South Carolina, JOHN J. McSWAIN. [Applause.]

Mr. SHORT. Will the gentleman yield?

Mr. McSWAIN. For a brief question. I have one or two other matters I wish to refer to.

Mr. SHORT. Mr. Speaker, as a humble minority member of the Committee on Military Affairs, I think you all know that there is no more ardent and true-blue Republican in the House than myself. I second everything that has been said by the gentleman from Alabama [Mr. HILL]. Because of my close association and intimate knowledge of the gentleman from South Carolina [Mr. McSWAIN], our distinguished chairman, I want to say that there is no Member of this House who is more loyal to his friends and more devoted to the performance of his duty, more capable and courageous in carrying out the mandates of his own conscience than this distinguished and able Member of the House from South Carolina. I hope he will remain here as long as Uncle Joe Cannon when he left this honorable body. [Applause.]

Mr. McSWAIN. Mr. Speaker, I thank my colleagues on the committee. I am under obligations to the Senate for giving me this information before this matter could go out to the press, as it will in the afternoon papers.



I am thankful for what has been said by these friends of mine, and that what I have said has received your approval, as manifested by your applause.

I want to call attention to the fact that General Pershing the other day wrote me a letter, that has been put in the RECORD, in which he commended the work of the Committee on Military Affairs and me personally.

One of the finest things I ever received is right here, from General Bullard, who had read in some paper that I wanted to recommend the awarding of a posthumous medal to "Billy" Mitchell.

General Bullard lies now in a Government hospital in New York City. He cut that statement out of the paper, not with scissors but with a knife, as you see, and he pins it to a little scrap of paper, and he writes, not with a pen but with a pencil:

Very, very right, dear Mr. McSWAIN. The Army owes poor "Billy" much and you much.

Yours,

(Gen.) R. L. BULLARD.

Let little James T. Williams, Jr., state what he may and what he in his malice wishes to say about me and my patriotism and my contribution to the cause of national defense. I call these volunteer witnesses, who never knew this question now being discussed would ever arise—Gen. John J. Pershing and Gen. Robert Lee Bullard—who come here now to tell you that what I have done as chairman of that committee has not been destructive, has not been against the cause of national defense, but has been for sane, sound, reasonable, progressive, honest national defense, so that we would get the maximum of defense for the millions of dollars that we contribute. I want their testimony to neutralize and wipe forever from the minds of the people of this Nation whatever vile suggestions have been made by this paid puny penpusher, this hired minion of Hearst, this mercenary mud slinger, who takes his orders, not from his own conscience and his own brains but from this hellish fiend of San Simeon. He writes his given telegraphic orders; he repeats his master's word; he speaks, not his own conscience, if he has one, but whatever his master orders him to spew out in filth and mud. Mr. Speaker, that is not a free press; that is a hired, a subsidized, and a purchased editorial. That is not free expression; that is not his own thought. That is the thought that was prompted by the inception of this arch enemy of free thought, of free speech, of free government. [Applause.]

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Very briefly.

Mr. MONAGHAN. Can the gentleman tell me whether Mr. Hearst ever volunteered or was ever in any army?

Mr. McSWAIN. I never heard of it, and I imagine we would have heard of it if he had. We have heard of everything that he could imagine that is in his favor, and I am informed that there is a good deal against him that never yet has come out. But there are two Members of this Congress whom that gentleman would better not tackle with falsehood and slander. One is that hard-headed, determined, resolute patriot from Texas, TOM BLANTON, and the other, the man who faces you now. [Prolonged applause.]

Mr. Speaker, these editorials composed by James T. Williams, Jr., were not only published in the Washington Times, but in many, if not all, of the various Hearst papers throughout the United States, thus carrying to the whole country the charge that I am not a sincere patriot; that I do not work constructively for the cause of national defense; that I am a Communist; and that, in effect, I am a traitor. This outrageous libel upon my honor, integrity, and patriotism has caused me many hours of suffering and many sleepless nights, to the detriment of my health and my ability properly to work. I have endured it in silence because, being a public servant, I realize that our motives are often misunderstood and our conduct often misrepresented. I knew that my colleagues in the House of Representatives know me and know my work well enough not to be misled by such outrageous and infamous libel. I knew that my friends and constituents in the Fourth Congressional District would hardly be misled by these falsities and vile slanders, and I felt that the rest of the country would, in time, come to realize the sincerity of my

patriotic efforts for the great cause of safe and sane and sound national defense. The confidence of the Reserve Officers' Association has been a solace and comfort to me. The fact that many patriotic organizations, such as the Daughters of the American Revolution, the American Legion, the Veterans of Foreign Wars, the Military Order of the World War, and others, have invited me to be their guest speaker upon formal public occasions, some of them of national importance and representation, have all been plain blank denials of the outrageous, unscrupulous, unconscionable allegations of Mr. Williams as the paid tool and hired voice of William Randolph Hearst.

#### WILLIAMS THE MEDDLER IN WAR DEPARTMENT

This man Williams is a sycophant of a most pronounced sort. Reared a Democrat, with strong Democratic traditions, his honored father, long past 90 years old, a lifelong Democrat; yet this Hearst-hired James T. Williams, Jr., turns his back on all family and sectional traditions and joins the Republican Party because he wanted to pose as a power close to the Republican throne; and then, when the Hearst shekels rattled louder and rolled up higher than the Republican papers were paying him, he turns his back upon the Republicans as well as Democrats and becomes a political nondescript—a malicious, mercenary mugwump enjoying the cowardly privilege of shooting at his personal enemies from behind the breastworks of Hearst millions, and sniping at honest public officials through the columns of these yellow sheets belonging to the most selfish, unscrupulous, arrogant, and conscienceless newspaper proprietor that ever soiled the newsracks of America and that ever from time to time befouled and besmirched, at least temporarily, the minds of millions of misguided readers.

#### AN EXAMPLE OF MEDDLING BY WILLIAMS

Maj. Clinton W. Howard was on duty at Wright Field with the Army Air Corps, and evidently he was requiring the manufacturers of aircraft to come up strictly to specifications. At any rate, he incurs somebody's displeasure. Somebody evidently goes, writes, or telephones to James T. Williams, Jr. What interest James T. Williams, Jr., has in aircraft manufacturers or in the Air Corps' business we would like to know. Why he concerns himself about their business and takes his time and undertakes to exert his personal influence with the Chief of Staff and the Secretary of War to have Major Howard moved I do not know. It is a pertinent inquiry, and if our committee has time we may pursue that inquiry and see what the records show and what the living witnesses will testify, wherever they may be, whether they be in America or on the other side of the Pacific, in the Philippine Islands, or elsewhere. Doubtless Mr. Williams will read these remarks by me, and he will understand better than the ordinary reader why I make these allusions. I am obliged to Senator BLACK, of Alabama, for having furnished me with a copy of a letter written to Senator BLACK by the Secretary of War on March 1, 1934.

The latter part of the letter is a manifest camouflage by the officer who prepared the letter for the Secretary of War to sign. When he speaks of the fact that Major Howard had already remained longer than the customary tour of duty, and that it was time for him to be transferred, and that his professional career and advancement was being impeded by his too long stay at Wright Field, it is almost humorous to those who know how things go in the War Department. Anybody can see the humor in the situation that it took James T. Williams, Jr., to remind the War Department that Major Howard had been at Wright Field too long, and ought to be transferred for the sake of his own professional career. It is simply ludicrous camouflage, for which Williams is undoubtedly greatly indebted to the War Department, and he has tried to pay this debt and other debts to the War Department by making his unfounded, malicious, libelous charges against me. Evidently Williams concluded that it would enhance his influence with the War Department for him to attack and assault me. Evidently he thought there was some personal hostility between General MacArthur and myself, and perhaps between Secretary Dern and myself. I never had the slightest feel-



ing toward either of them. I differed from them in opinion as to certain principles and propositions relating to national defense. The Secretary of War, doubtless following the advice of General MacArthur, and signing a letter manifestly prepared by General MacArthur, bitterly denounced my zeal for an increased and enlarged air force. Instead of being opposed to adequate defense, I found the Secretary of War charged me with advocating such a large air force as to raise doubt as to the peaceful intentions of America. Since that time and since that letter, which the Secretary of War burned in my presence, but of which I have photostatic copies, the War Department and the whole country has moved up to the position I then took, to wit, that this country ought to have approximately 4,000 effective, serviceable fighting planes in order to insure adequate defense. I think this is a good place to insert the letter written by the Secretary of War to Senator BLACK describing the conduct of James T. Williams, Jr., which I characterized as "meddling."

MARCH 1, 1934.

HON. HUGO L. BLACK,  
United States Senate.

DEAR SENATOR BLACK: Your letter of February 28 relative to the recent change of station of Maj. Clinton W. Howard, Air Corps, has been received.

This change of station was in no way brought about or even suggested by airplane manufacturers or other companies dealing in Army equipment and supplies.

No newspaper operators, owners, or employees of newspapers requested the relief or transfer of Major Howard. However, some 8 months ago and once subsequently, Mr. James T. Williams, Jr., stating that he was acting in the capacity of a private citizen, and not in any way representing the press, reported to the Department that, according to confidential information received by him from highly authentic sources, Major Howard was not in sympathy with important experimental work being carried on at Wright Field. This experimental work, however, was not connected in any way, either directly or indirectly, with the production of or sale of airplane equipment or supplies to the Government by civil aviation manufacturers or other similar companies. He also stated that Major Howard's personality was unfortunately harsh and antagonistic and had offended those with whom he was required to come in contact officially and otherwise. This report, as to his personality, was officially confirmed.

It was decided, after due conference, that Major Howard had probably been kept for too long a period at this specialized work at Wright Field, and that not only his own professional development might be jeopardized but that it would be advisable for the Government's interest to change his assignment. He was accordingly transferred to Washington to the office of the Chief of Air Corps, where his services were especially desired.

The transfer of Major Howard from Wright Field to duty in the office of the Chief of Air Corps in Washington was a routine departmental matter, Maj. Howard having been on duty at Wright Field since February 24, 1928, approximately 6 years. Normally the stations of officers of the Army are changed every 4 years, but, because of Major Howard's special talent in Air Corps engineering and other related activities, he had been retained at Wright Field beyond the normal time.

I wish to reiterate that no outside pressure of the nature indicated in your letter influenced the Department in this matter, and that this officer's transfer after approximately 6 years of service at Wright Field was dictated entirely by the needs and necessities of the military service.

Sincerely yours,

GEO. H. DERN, Secretary of War.

#### LIBELS OF WILLIAMS NATION-WIDE

The San Antonio Light, under date of March 23, 1934, carried on its editorial page an article which was a reproduction from the pen of James T. Williams, Jr. Somebody in San Antonio thought I would be intimidated by reading this article and sent the same to me through the mail, with a penciled statement on the margin, as follows:

Not such good advertisement for you. There is need of action—not political play.

Williams evidently fooled that one reader and the reader thought that I would be intimidated, would close my mouth, and follow the dictates of the War Department.

[Editorial page, San Antonio Light, San Antonio, Tex., Mar. 23, 1934]

#### NATIONAL DEFENSE SUFFERS SET-BACK

"There are more people under arms in the underworld today than in the Army and Navy of the United States."

When Attorney General Cummings made this statement before the Senate Committee on the Judiciary, he drew a grave indictment against the Congress of the United States.

Under the Federal Constitution Congress is charged with the obligation to provide for the common defense. It is given the exclusive power "to raise and support armies" and to provide and maintain a navy.

Because the Congress has failed in recent years to exercise this power and to discharge this duty, the Army has sunk to seventeenth place and the Navy to third place among the armies and navies of the world.

By authorizing the building up of the Navy to equality with the strongest, the present Congress has taken the first step toward making appropriations for that purpose, but appropriations must follow if this authorization is to prove more than an empty gesture.

But the present Congress has thus far done nothing effective to build up the Army toward the strength authorized by the National Defense Act.

This neglect is chiefly due to the Democratic chairman of the House Committee on Military Affairs, Congressman McSWAIN, of South Carolina.

More than a month ago, Secretary Dern submitted to Chairman McSWAIN's committee a defense measure of the most urgent importance.

This measure provides the necessary authorization for Congress to appropriate whatever amount may be required to increase the effectiveness and efficiency of the Army Air Corps.

Enactment of this bill at this session would clear the way for the War Department to equip, organize, and maintain what the Air Corps has long needed and what the General Staff urgently recommends, a general headquarters air force of five wings.

Such a force would increase the strength of the Air Corps to 3,800 planes, with the necessary personnel to man them as soon as Congress votes the appropriations and American manufacturers can carry out the contracts for this construction.

Instead of reporting this measure to the House, Chairman McSWAIN persisted in squandering the time of his committee in various and sundry investigations for political purposes.

Instead of reporting this measure to the House and pressing for its passage, Chairman McSWAIN solicits personal publicity by introducing a miscellaneous assortment of measures that have neither the endorsement of the Secretary of War and the General Staff nor the support of intelligently patriotic Members of the Senate or the House.

The Baltimore News and Post of February 13, 1935, carried an editorial by James T. Williams, Jr., containing the following outrageous charges:

The House Committee on Military Affairs has repeatedly ignored sound military recommendations and has attempted to trespass upon the constitutional premises of the Executive. Its members, for the most part, have refused to interest themselves in sound theories of national defense except insofar as the execution of these theories could be compelled to distribute political pork among the constituents they represented.

No constructive legislation has come from the House Committee on Military Affairs in nearly 10 years. The work which ought to have been initiated by this committee in the House has largely devolved upon the Senate Committee on Military Affairs. The Senate committee has refused to play politics with the national defense.

Its members, with few exceptions, have rendered patriotic service in the consideration of national-defense measures and have disposed of them without any partisan consideration.

At the moment the House Committee on Military Affairs appears to have suddenly discovered that the defense of Hawaii is the defense of the United States in the Pacific and that the defense of Hawaii is far from being what it ought to be. But, instead of supporting legislation to equip the Army and to strengthen the defenses of Hawaii, the House committee continues to waste time holding hearings at which facts are reiterated that have been available to every Congress for the past 10 years.

Here is their libel of hearing in Washington Times of December 6, 1935:

Unfortunately, the House Committee on Appropriations has as its chairman a Representative in Congress—Mr. BUCHANAN, of Texas—who has been all too ready in the past to play politics with the common defense.

Unfortunately, the House Committee on Military Affairs is afflicted with a chairman whom the President of the United States was forced to rebuke publicly for giving world-wide publicity to some of the most vital secrets involving the common defense.

This chairman, Mr. McSWAIN, has done his best since he became chairman of this committee to discredit the Military Establishment, destroy public confidence in the United States Military Academy, and incite public suspicion of the commissioned strength of the Regular Army.

#### PARTISAN POLITICS

Unfortunately, there are too many members of the House Committee on Military Affairs who are ignorant of sound principles of defense, indifferent to sound recommendations, and ready to play partisan politics with defense problems, if, by so doing, they can get votes for themselves in their own districts or publicity for themselves there or elsewhere.

But the session of Congress which convenes next January will be a most critical time for this country because the sapping expedition against the common defense is well organized, well



subsidized, and the sappers will attempt to divert public attention from their diabolical purpose by shouting "economy."

And here is another libel appearing in the Washington Times of February 11, 1935:

SPURNS ADVICE

The House Committee on Military Affairs has repeatedly ignored sound military recommendations and has attempted to trespass upon the constitutional premises of the Executive. Its members, for the most part, have refused to interest themselves in sound theories of national defense except insofar as the execution of these theories could be compelled to distribute political pork among the constituents they represent.

What could have been the motives of James T. Williams, Jr., and of William Randolph Hearst? Surely it could not have been an honest conviction on their part that I was disloyal to the country and to the cause of national defense. My whole record gives the lie to any such charge or inference. Surely they could not hope for any man to be more zealous for adequate defense. Could it have been that they hoped to stay and paralyze my hand as chairman of the committee investigating War Department conditions? Had anyone promised James T. Williams, Jr., that his "meddling" would be powerful and effective if he could terrorize me and stop me from my efforts and investigation? Did the aircraft manufacturers who wanted private negotiations for the sale of aircraft to the Government inspire James T. Williams, Jr., and William Randolph Hearst to try to destroy me and to neutralize my influence, and to frighten me from my duty? Did James T. Williams, Jr., take out a personal spite upon me because I knew he was a political turncoat? Why did not William Randolph Hearst answer my letter consisting of nearly eight closely typewritten pages, which letter I wrote him on March 6, 1934, giving him the absolute facts as shown by the record itself? Why did not William Randolph Hearst instruct James T. Williams, Jr., to stick to the truth about me, and stop making false charges through his many editorial utterances which were reproduced in a large number of newspapers throughout the country? Why did William Randolph Hearst, after knowing the facts as shown by my letter of March 6, 1934, telegraph James T. Williams, Jr., on April 5, 1935, instructing him to carry in the columns of the morning papers, in addition to the afternoon papers, this malicious, unjustified, and libelous denunciation of me? These are questions that the people want to know the answer to, and these are questions that Mr. Hearst and Mr. Williams, if they have any manhood left, if they are willing to trust the truth to the people, should answer before the whole people.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937—CONFERENCE REPORT

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 9:

"Sec. 2. To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 of the Soil Conservation Act, as amended, \$440,000,000, to be immediately available and remain available until expended, together with the unexpended balance, not exceeding \$30,000,000, of the funds made available for rental and benefit payments by the Secretary of Agriculture under the provisions of the Supplemental Appropriations Act, fiscal year 1936, approved February 11, 1936."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment no. 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Congress), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of law books, books of reference, periodicals, and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head "Payments for Agricultural Adjustment" in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Congress); to be imme-

diately available and to remain available until June 30, 1938, for compliances under said Act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item."

Mr. TABER. Mr. Speaker, will the gentleman yield to me at this time to offer an amendment?

Mr. WOODRUM. Mr. Speaker, I shall yield to the gentleman to make some remarks, but I cannot yield to the gentleman to offer an amendment. Several gentlemen on the minority side have indicated a desire to speak on this amendment. I shall be very glad to yield to them at this time. I now yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this amendment provides \$470,000,000 to permit the Secretary of Agriculture to operate under the Soil Conservation Act, which was passed 3 or 4 weeks ago. I had it in mind to offer an amendment to the amendment which would limit the payments to any one person or firm or corporation to \$2,000, and also to provide that none of the funds appropriated should be used to pay benefits on land brought into cultivation hereafter as a result of irrigation and reclamation projects. I appreciate that the parliamentary situation is such that I shall not be allowed to offer these amendments, which I believe should be adopted, to any such provision as this. I shall be obliged to content myself with just plain opposition to this appropriation.

I believe that the operation which is contemplated, namely, the payment of benefits at the rate \$10 per acre upon approximately 35,000,000 acres of land will result in greater distress, especially among the dairy farmers, than anything that has ever come before. I believe that the operation of the proposition is going to result in creating more crops on the market than we had before. I do not believe it will reduce production.

I do not believe it is the proper thing for the Government of the United States to pay that amount of money to individuals. In addition to that, they have come in here with no real justification for the money. There is no definite program as to how they are to spend it. It is simply a blanket request, with the statement that the thing is being worked out as to how they are to spend it. It is perfectly apparent that this Congress ought to get the right information as to how that money is to be spent before we give them the money. I do not believe we should adopt this amendment at all. We should reject it and turn it back and let those people come here, and if they have a legitimate reason for spending the money and a legitimate program for spending it, show us what it is.

In the meantime I hope this House will reject this amendment and throw the thing out.

Mr. Speaker, I yield back the balance of my time.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, during the consideration of this amendment before the committee, Mr. Davis, Administrator for the Agricultural Adjustment Administration, appeared before the committee. I interrogated the Administrator as to the policy that would be adopted in relation to paying benefits to land which had not been in cultivation at the time of the passage of the recently enacted soil-erosion plan. Of course, the Administrator was obliged to report that there were no restrictions in that law, and that land subsequently brought into cultivation through Government aid in irrigation and reclamation projects would be allowed the benefits. It seemed that the position was so contradictory that it should be called to the attention of the House.

Mr. Speaker, rather than go into detail and report the conversation had before the subcommittee, I ask unanimous consent to revise and extend my remarks by placing in the RECORD a page and a half of the hearings wherein this information was developed through the aid of the official who



will have charge of this program. Pages 52 and 53, supplemental hearing independent offices appropriation bill for 1937.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The matter referred to is as follows:

POLICY OF RECLAMATION OF ARID AND SEMIARID LAND

Mr. THURSTON. Mr. Davis, I want to ask you a question about a matter which ultimately will be very important and will affect the total amount you will expend.

Of course, you are aware that the Government in the last 2 or 3 years has allocated probably three-quarters of a billion dollars to the promotion of irrigation and reclamation projects, which, of course, will bring into cultivation large tracts of land which, I take it, you have not considered in your phase of the plan you have now in mind. You see new lands coming into use, and they have the advantage largely of Government funds for 10 years without interest. Will they not be accorded the same consideration as the land that has been in cultivation, and if so, will we not be in the inconsistent position of bringing new land into cultivation, with no interest payments to make for 10 years?

Mr. DAVIS. There is no line of distinction drawn at the present time between reclamation and irrigation lands and any other type.

Mr. THURSTON. So, as these tremendous new tracts come into cultivation, you will be obliged to give them the same consideration that you give land which is now being put into cultivation, or which recently has been in cultivation?

Mr. DAVIS. Yes; if this program is a continuing program, operating at the time these new lands that you refer are in use, I would say that is true.

Mr. THURSTON. So, while the object of this really is to hold down production of grain, we will be in the inconsistent position of reducing production in one section and greatly accelerating it in another.

Mr. DAVIS. I think one of the results will be holding down acreage in the main. I do not want to permit it to go without noting my exception, the statement that the object is to hold down the acreage of grain. The Supreme Court says that you cannot do that. If the Government is going to follow its past policies of reclaiming land by irrigation, should it not balance that by requiring the distribution of whatever funds are available, on the principle that areas of land of equal productivity should be taken back into Federal hands and removed from the field of production?

Mr. THURSTON. Of course, while the act may contain certain recitals, I think that many farm districts have been led to believe that the program will reduce the amount of grain that has been heretofore produced.

Mr. DAVIS. I think that will be one of the results.

Mr. THURSTON. We are then faced with this inconsistent situation that is bound to develop and greatly embarrass you and your associates in being required to pay for the nonuse of new lands brought into cultivation, unless there is some exception or some restriction imposed.

Mr. WOODRUM. Is it not entirely reasonable to suppose that as this program develops and such situations arise there will be changes of policy and amendments to the law? I do not suppose anyone expected that this law would be perfect.

Mr. DAVIS. Experience will be my teacher.

Mr. THURSTON. If payments are made to the new lands, it will require much more money than if we were dealing with a problem we were familiar with; that is, the amount of land heretofore in cultivation.

Mr. DAVIS. If the Congress wishes to modify that language and provide that no payment under this should apply to new land brought into production under federally financed reclamation projects, that would seem to me to be perfectly within your right to do, and I would not interpose any objection.

On the other point, however, that if the Government continues to extend—I came from the Western State of Montana, and I know the factors and forces back of reclamation that you do not have in the East. I know what that situation is. But is it not reasonable to consider, supposing \$100 is made available for reclamation—would it not be a good idea to say that \$50 shall be used to take production and put it back in the Federal domain land in the aggregate, having equal productive capacity, so you balance the reclamation of land. It is probably a good land use to do that, and supply the money you have to do it, so that when you take dry land out, that is where you put wet land in?

Mr. THURSTON. It seems to me that your object of reducing farm production will be defeated when new land is brought into cultivation.

Mr. DAVIS. It has been a paradox, on the face of it, at least, for some time. From the days of the old marketing act we have been attempting to bring production into balance with the policy of reclamation.

Mr. THURSTON. Of course, in the last 3 years I suppose many times more has been allocated than in any like period.

Mr. DAVIS. For reclamation?

Mr. THURSTON. Yes.

Mr. DAVIS. I do not know the figures. But looking at it from the long-time agricultural standpoint, farmers are better off where the water supply is under their own control than otherwise. But unless reclamation projects are intended by the program to take arid lands out of production, I think the program is out of balance.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. CULKIN. Did Mr. Davis state that he could not, in fact, control the lands being brought into cultivation by irrigation?

Mr. THURSTON. He said that inasmuch as there was no restriction in the act that was passed he would be obliged to pay benefits to new irrigation projects that were begun after the passage of the law.

Mr. CULKIN. But the inference was that the Department of Agriculture had no power over irrigation, but that that was within the Department of the Interior.

Mr. THURSTON. Yes.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. WHITE. Does the gentleman know it is the policy of the administration to withdraw from production the same amount of acreage for all acreage that is put in by reclamation?

Mr. THURSTON. I will say that the greater number of acres that will be withdrawn in the soil-erosion program is secondary land or submarginal land that has not yielded in abundance and has been only light in production, whereas the new land that will come in, that will constantly receive water, will undoubtedly produce much greater crops than the same number of acres taken out of submarginal lands.

Mr. WHITE. As a matter of fact, we know it will take more acres of the submarginal land for the reclamation land put in; but that is the policy of the administration, to keep a balance of production by taking out as much land as they put in by reclamation projects.

Mr. THURSTON. I submit that if that matter had been developed on the floor during the consideration of the original bill, very likely restrictive provisions would have been placed therein which would have prohibited newly developed land from receiving those benefits.

Mr. Speaker, I yield back the balance of my time.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I simply want to point out to the House and to the country that this large item of appropriation comes here as an amendment to this bill as the result of an amendment drafted at the other end of the Capitol, without any hearings whatsoever, insofar as I am advised. It was adopted at the other end of the Capitol without a word of debate on the floor, and it came to this end of the Capitol before the House had even taken up for consideration the legislation authorizing the appropriation.

Of course, an authorization now exists, but it seems to me that when it comes to spending \$500,000,000 of the people's money, the House and the country are entitled to a comprehensive explanation from those in authority as to how that money is to be spent. From my point of view, I can only say that that explanation is still lacking.

It is true that the House conferees endeavored to obtain some light on the picture. Hearings were held, and for 2 days the conferees sat across the table from Mr. Davis, Administrator of the Agricultural Adjustment Administration, and his coworkers and questioned them. I commend those hearings to the attention of the Members of the House. I submit that the only facts demonstrated conclusively are, first, the fact that no one in authority today is in a position to give any detailed picture of how this tremendous sum is to be expended; and, secondly, the fact that it is the aim of those who are to spend the money to put into effect as closely as possible, by indirection, the same policy which the Supreme Court declared to be unconstitutional, when applied directly, under the provisions of the Agricultural Adjustment Act.

Take, for example, the administrative set-up. No breakdown was furnished of the personnel contemplated to spend this great sum of money. Every activity normally supplies such a breakdown. The Administrator, however, was unable to comply. Under the Triple A, we still have about 5,000 permanent employees and several hundred temporary workers, not to mention the State and county representa-



tives, which at times have run as high as 100,000. In addition, under the Soil Conservation Act passed a year ago, there are between five and six thousand permanent employees and several thousand temporary workers. The stated purposes of that act are very similar to those of the new bill. Yet, despite these facts, in the new set-up it is said that as many as 4,000 of the permanent employees of the A. A. A. will be needed in addition to the temporary workers and the representatives in the States and in the counties. The only yardstick used was the very rough estimate of 7 percent for administrative expenditure out of such total as Congress might make available.

If we consider the conditional payments that are to be made, the testimony is equally vague and equally inconclusive. If I had the time, I could call your attention to statement after statement in the hearings showing that details are not available yet as to how these payments are to be computed or applied; that comprehensive plans are impossible pending reports of regional conferences, decisions by the Secretary of Agriculture, and other steps necessary in order to determine the program as a whole.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. In a general way, all that the witnesses could tell us was that under the A. A. A. about 30,000,000 acres had been taken out of former production, and that to take this 30,000,000 acres out of production had cost about \$500,000,000 a year. They said, in substance, therefore, "Although we are not in a position to talk in terms of the new legislation, we think if you will allow us to take 30,000,000 acres from the production of soil-depleting products and turn them into the production of non-soil-depleting products, and if you will give us about what you gave us under the A. A. A., we should be able to get along pretty well." This is about the sum and substance of the testimony.

It is fair, I think, to add that testimony as to the past was also unavailable. It seems impossible to believe, for example, that the Administrator is not in a position to furnish information as to payments made under the A. A. A. It is difficult to escape the conclusion that the lack of response in this connection indicates an unwillingness to have the facts known.

Yesterday I read a quotation from George Peek, formerly a leading figure in the present administration. The quotation characterized those provisions of the new farm bill designed to regulate the flow of farm products as "merely a cloak for continuation of a policy of crop restriction in a rather specious effort to evade the Supreme Court's decision." The hearings in connection with the legislation lead inevitably, in my judgment, to this conclusion. They indicate definitely the determination to continue with one hand the policy of scarcity to the extent of thirty to thirty-five million acres per year, while encouraging with the other hand tremendous irrigation projects and great importations of agricultural commodities said to have been estimated in 1935 as equivalent to the production of from forty to fifty millions of acres. I greatly regret that no opportunity is offered to support a sound and constructive program in aid of the farmers of the Nation.

It has been estimated, Mr. Speaker, that the increase in our public debt for the 3 years ending June next will be approximately equivalent to \$40 per minute from the date that Columbus discovered America until the present time.

The last 3 years have been characterized by tremendous appropriation, by tremendous expenditure, and by tremendous delegation of legislative power in respect to both.

The item under consideration calls for another great appropriation and a further great delegation of legislative power to the Secretary of Agriculture. The appropriation, if approved, is to be expended by him under terms and conditions which he himself would appear to be unable to define at this time. No payments, we are told, will be made under the act until September or October next. It is no doubt considered that payments to beneficiaries at that time will be particularly helpful.

The basis for haste, Mr. Speaker, is not apparent. I repeat the statement which I made in beginning these brief remarks. In my judgment, if the House is to appropriate half a billion dollars of the people's money, it owes it to itself and to the country to obtain from someone, somewhere, somehow, comprehensive information as to how this money is to be expended.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I realize that any discussion of this appropriation to carry out the purposes of the soil-conservation bill is of necessity post mortem, but I wish to emphasize the point made by the gentleman from New York [Mr. TABER] when he said that this bill does in fact wreck the dairy farmer. The dairyman is the only real conservationist and he is thrown to the wolves by this legislation.

I want to emphasize, too, the utter fallacy that is created here by Mr. Davis, representing the Department of Agriculture, testifying that he has no jurisdiction over reclamation. With one hand we are spending for reclamation \$1,250,000,000, with the other hand we are spending \$500,000,000 annually to retire 35,000,000 acres from production. These policies are contrariwise. They are opposed to each other, and, in my opinion, if continued they spell disaster for this country and particularly for the American farmer.

When the Interior bill comes back to us you will find that it has added to it, in one lump sum, \$52,000,000 for irrigation. To complete the irrigation projects carried in that bill will cost this country \$1,250,000,000. If there was ever a civilization gone mad it is ours. This administration today is without course or compass.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we are again confronted with an increase in an appropriation bill, this time the independent offices bill, in the sum of \$2,170,000,000. This may seem small to some of you men, but I cannot understand it; it is such a large amount—\$2,000,000,000 is such a sum that it is almost beyond comprehension to me.

The question now is, where are you going to get this money? The Ways and Means Committee are trying to do something now to raise money through additional taxation; but all you Members of Congress think about is adding to these appropriation bills—spending, spending, spending; appropriation, appropriation, appropriation—we do not seem to do anything else but spend, spend, spend.

I congratulated the majority leader yesterday on trying to keep down the legislative appropriation bill. Every other appropriation bill at this session of Congress came with an increase over previous years—enormous increases. You now bring this bill back from the Senate with over \$2,000,000,000 additional hooked onto it.

We should pass sensible appropriation bills, with respect to good, sound, common sense in spending, with due respect to all people—the saver, the farmer, the poor, the worker—not half-baked, radical, Russianized legislation such as prohibits the farmer from farming as he formerly did, without molestation by a lot of "brain trusters." Of course, that is a fine thing to get votes, but it is going to wreck our Nation.

Getting back to this soil-conservation proposition, I want to insert in the RECORD the amount of wheat we imported in 1934. I will insert here a table showing the farm products imported in 1935 as compared with 1934.

Commodity	Year 1934	Year 1935
Wheat.....60-pound bushel.....	7,736,532	27,438,870
Corn.....56-pound bushel.....	2,959,256	43,242,296
Oats.....32-pound bushel.....	5,580,407	10,106,903
Butter.....pound.....	1,107,020	22,674,642
Beef, fresh.....do.....	140,447	8,584,114
Pork, fresh.....do.....	127,746	3,922,609
Canned meat.....do.....	46,777,875	76,653,242
Animal oils and fats, edible.....do.....	1,723,261	18,895,241
Hides.....do.....	200,770,332	303,475,633
Tallow.....do.....	42,813,299	245,850,922
Carpet wool.....do.....	85,181,282	171,504,101



Note the increases of importation of farmers' produce, yet you want our farmers to let their ground lay idle, pay them for so doing, and import the things they raise in ever increasing amounts. Why do you do it? You tax the people to pay for permitting foreigners to raise our produce instead of our own farmers. You will wreck the country by this process, sure.

We might not be fools here, but we are certainly doing the things that fools would do.

I believe in taxes and I believe the more you make the more you should pay, but I feel that this Congress by passing such ridiculous laws will soon wreck the Nation. You cannot pay out eight billion a year and collect four billion a year and keep it up much longer. You will cause America to loose its form of government and this no one wants to see. We must stop these ruthless expenditures by the huge appropriations.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. TOBEY].

Mr. TOBEY. Mr. Speaker, the thing that concerns me this afternoon is the degree of apathy and indifference of the Members of the House toward this proposed amendment. A handful of Members sit here considering an amendment giving approximately a half billion dollars to one of the great bureaucracies which exist under the present administration.

Let me review the soil-erosion bill which this amendment makes appropriation for. It came before our Agricultural Committee, but no hearings were held. We could not secure hearings on request. However, Mr. Davis and Mr. Wallace appeared before the committee for about 15 minutes apiece. There was no stenographic record of their testimony available to the Members. This bill was just pushed through on orders from above. It passed the House and then went to the Senate, where they put on an authorization for a half billion dollars of the people's money. An appropriation therefor comes in here today attached to this independent offices bill as an amendment.

We are now asked to pass this amendment turning over this half billion dollars to the Secretary of Agriculture, to be paid by him to farmers, without our having had presented to us any plans, rules, or regulations under which this vast sum will be disbursed, nor have we any data on the amounts to be paid on various crops.

The bill gives the Secretary of Agriculture almost supreme power. He makes the terms and conditions under which the bill will be administered, and, as I stated in my speech on the bill some weeks ago, they even dared to write in the original draft of the bill a provision prohibiting any audit except by the Secretary of Agriculture on himself and his Department. Now, on top of all this, they propose to give them the money without knowledge of the terms and conditions under which he will spend it.

If we vote this money, the Agricultural Administration will pay this money out in grants to farmers for one or more of the several purposes of the bill. This money will be paid under certain terms and conditions yet to be divulged. So, when a farmer accepts this money, he does it in accordance with and subject to the terms and conditions to be set forth by the Department, and, in my opinion, this will constitute a contract and be in violation of the recent decision of the Court in the Hoosac case.

Mr. Speaker, you and I as Members of the House have a real responsibility in this matter, and should not, in my judgment, vote this great sum of the taxpayers' money without knowing what the plan is and what the terms and conditions will be which will govern the grants.

The bill, plus the amendment, constitutes the greatest grant of power to a bureaucracy ever made by an American Congress. It is an abdication of the powers of Congress.

The Agricultural Bureau has a good man at the head of it, as far as character and integrity is concerned but he has acquired the habit of coming before the Congress and asking for power and more power, and each time the Congress proceeds to give it to him. We should know from him what he is going to do with the money before we grant it. We

have no answer from him as to that, but all of us will have to answer to our constituents.

The Agricultural Department has been holding six regional hearings around the country, seeking to learn the attitude of the farmers on the new farm bill. Mr. Wallace had six stenographers taking down his testimony at the New York meeting, but no testimony was taken down by a stenographer of the testimony of the farm representatives. There is a great diversity of opinion among them in reference to the administration of this particular matter.

Mr. Speaker, I appeal to the membership to reject this amendment. Let us bring the matter up in the proper way before the Congress. I see my colleague the gentleman from South Carolina and other members of the Agricultural Committee here. I, for one, am through passing legislation giving to these bureaucracies the power to spend more money without getting some definite information as to how it is going to be spent and where. It is time to call a halt on such procedure, and I appeal to the Members of the House to turn down this amendment and maintain the prerogatives of the House.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TOBEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to ask the gentleman, who is a member of the Agricultural Committee, if it is not true that if these funds are used in the manner as has been indicated here today, inducing the farmers to comply by retiring acreage, that as the prices move up it would be perfectly natural for others who desire to profit by those increased prices to apply commercial fertilizer to submarginal land and bring back into production the same volume of food-stuffs, thereby defeating the entire program?

Mr. TOBEY. There is not any question about that. It happened under the A. A. A. in 1933 and 1934. In the South they narrowed up their rows from 36 inches to 27 inches. They applied heavier amounts of commercial fertilizer to their land and they obtained increased yields over what they had the year before. The gentleman is correct in connection with his interrogation.

Mr. WOODRUM. Mr. Speaker, it is easy to criticize, and in the observations made by these distinguished gentlemen who would withhold any appropriation for agriculture for next year, they criticize but do not offer any plan.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. TABER. Does the other fellow offer any plan?

Mr. WOODRUM. Yes; he has offered a plan and it has worked.

Mr. TABER. Not in these hearings.

Mr. WOODRUM. That is the stone wall you gentlemen are butting your heads against now and will be butting your heads against in the days to come. We have offered a plan and the plan has worked.

Mr. TOBEY. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. TOBEY. I read with interest the gentleman's interrogation of the gentleman who came before the committee with Mr. Davis. Was the gentleman entirely satisfied with the answers he got to those questions?

Mr. WOODRUM. I will answer the gentleman the best I can.

Mr. Speaker, ever since I have been a Member of this body, which is 14 years, and which is not long in comparison with the service of some of the distinguished gentlemen here, I have been hearing about doing something for the farmer. I think I have almost a 100-percent record in voting for almost every sort of nostrum presented for doing something to help the farmer. I have hoped some of them would work. However, when the present administration came in it did do something that helped the farmer, and I anticipate that no gentleman now on the other side of the aisle who is so much concerned about preserving surpluses of corporations and individuals, will undertake to get up in his seat and say that actually the farmer has not been helped. He has been helped. A plan was presented and put into operation which was helping American agriculture. Now, it turned



out to be unconstitutional. We were doing the best we could to help agriculture. I voted for it, and I do not feel any humiliation or feel that I made a mistake in thinking it was constitutional when distinguished judges on the Supreme Court of the United States were themselves mistaken, or perhaps are mistaken, so a majority of the Court holds about it; but the fact remains it was unconstitutional.

What are you going to do now, you Budget balancers? What are you going to do with agriculture when the Supreme Court cut the Triple A out from under them? Are you going to leave them hanging in midair where they were before?

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield right there?

Mr. WOODRUM. Why, certainly. Will the gentleman tell me his plan for the relief of agriculture now?

Mr. CRAWFORD. My plan would be this: Instead of paying \$10 per acre this year, \$10 next year per acre, and \$10 the next year per acre, and so on and on and on, let the Government go out and buy outright the submarginal lands that are subject to agricultural uses, put them beyond the reach of any speculator who wants to apply fertilizer to such land, and thereby support the price structure from the standpoint of production control.

Mr. WOODRUM. How much money would it take to do that?

Mr. CRAWFORD. It is not a question of how much money, because—

Mr. WOODRUM. Oh, no!

Mr. CRAWFORD. How much money will it take to do it the other way and never accomplish anything?

Mr. WOODRUM. Five hundred million dollars for next year.

Mr. CRAWFORD. And in 10 years \$5,000,000,000.

Mr. WOODRUM. But the gentleman's colleagues demand definite information. How many acres are you going to take out, and how much money will it take, and what is the number of the gentleman's bill to carry his plan into effect? I would like to get it and read it.

Mr. CRAWFORD. There is not any bill—

Mr. WOODRUM. Of course not.

Mr. CRAWFORD. And how much attention would the gentleman pay to it if I did put in such a bill?

Mr. WOODRUM. I would be pleased to read it and give it due consideration.

Mr. Speaker, this is the claptrap we are hearing here every day. There is not a gentleman on the other side who can get up and tell you what ought to be done. We have brought in a plan, and it has passed the Congress. Agriculture today is on the up-and-up, and we are asking for money to carry the plan into effect.

Now, Mr. Speaker, complaint is made because we have not given definite information about how this money is to be used. When this amendment came back from the Senate, providing \$470,000,000, the House conferees were not willing to come into the House of Representatives and bring the amendment in and ask for its adoption without finding out as much information as we could, and we summoned before our committee—and I had the entire subcommittee made conferees, consisting of the distinguished and able gentleman from Massachusetts [Mr. WIGGLESWORTH] and his colleague from Ohio [Mr. BOLTON]—the representatives of the Department of Agriculture, and they had full and wide-open opportunity, and you can read the hearings, and I think you will find an honest and frank disclosure. They said:

We hope by this program to take out of soil-depleting cultivation between 35,000,000 and 50,000,000 acres of land. We hope that this can be done for the 1936 crop.

Of course, it is going to depend to some extent on how the farmers cooperate with the program, but the best information we have, in view of the Triple-A program, is that 35,000,000 acres will be involved.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. In just a moment.

If this is done, we believe the cost will be approximately \$11 an acre paid to the farmer, with an administrative cost of approximately 75 cents an acre.

I do not know how anybody could be more definite than this, unless they were mind readers or had some providential power to sweep aside the curtains of the future and see what is going to happen. They were endeavoring and we are endeavoring to carry out a program as near as possible to the Triple-A program, and that cost us approximately \$500,000,000 a year.

I now yield to the gentleman from South Carolina.

Mr. FULMER. Is it not a fact that because of the decision on the part of the United States Supreme Court stating that agriculture is a State problem, the Federal Government cannot, at this time, go out and make any definite plan, because they are now waiting on the States to submit their plan?

Mr. WOODRUM. The gentleman is correct.

Now, my good friend the gentleman from Pennsylvania got me to yield him some time so that he could ask me a question, and now he has left and cannot hear my answer to it. I am sorry the gentleman is not here, because were he present I would like, in a spirit of good humor, to discuss with him some facts, which I do not feel that I can do in his absence.

The difficulty with my friend from Pennsylvania is that the gentleman is interested in only one thing, and that is taxes, cutting down the tax bill. It never dawns on the gentleman, who is a distinguished educator and a great industrialist in the great State of Pennsylvania—it has never dawned on him to manifest an interest in the great mass of the American agriculturists, the working people of the country, and the long bread lines of unemployed. He thinks always in the terms of dollars and tax bills. He says the thing we are doing here is wrecking the country.

Now, I sympathize with you gentlemen on the minority; that wrecking song you are singing is getting weaker and weaker. [Laughter.] It is going round and round, and every time it comes out it is weaker. While you are hollering about it, every time we pick up a newspaper we find that business is improving. The only thing in depression now is red ink.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. GIFFORD. I want to substitute for the gentleman from Pennsylvania. I would like to have the gentleman from Virginia make that speech in my congressional district.

Mr. WOODRUM. I would be very glad to if I get an invitation.

Mr. GIFFORD. Did the gentleman from Virginia read the index report last Sunday?

Mr. WOODRUM. I have read it, and I hold right here the index report from Boston.

Mr. GIFFORD. I am referring to the index of the last 3 weeks. Did not the gentleman see that it was going down steadily?

Mr. WOODRUM. I have the index report here from Boston on March 17.

Mr. GIFFORD. That is the day that you see snakes. [Laughter.]

Mr. WOODRUM. This report says:

Boston, March 17.—Residential building is on with a good start this year. January contracts awarded were for 27 percent more homes than in January last year and with a 67-percent increase in value.

There is no greater barometer, no more dependable index than the building industry in the gentleman's State of Massachusetts, and he will find that it is on the up and up.

Mr. GIFFORD. I would like to have the gentleman come to my textile district and recreational district—

Mr. WOODRUM. I do not know about the recreational part of it, but business is getting better.

Mr. GIFFORD. I would like to ask the gentleman, Are there any more snakes in that report?

Mr. WOODRUM. Yes. I am afraid here are more snakes. [Laughter.]

Mr. CONNERY. Will the gentleman yield?

Mr. WOODRUM. Briefly.



Mr. CONNERY. I want to call attention to the fact that St. Patrick got rid of the snakes.

Mr. WOODRUM. Now, here is another:

NEW YORK, March 4.—Aggregate net income of 466 domestic corporations for 1935 was 33.9 percent above the previous year, a tabulation made today by the Associated Press shows. Three giant industrial units, United States Steel, General Motors, and American Telephone, contributed more than 20 percent to the total.

The gentleman's employees in the textile mills of Massachusetts are buying more goods from his merchants up there, and every merchant up there will tell the gentleman that conditions are better today than when we came into power.

Mr. GIFFORD. I am glad the gentleman tries to make me hopeful; but I rose to ask the gentleman this particular question. The gentleman forgets that the gentleman from Kansas [Mr. HOPE] presented a plan, but we will let it go by, and let us say that we have no plan. That does not help the gentleman's plan, because we have no plan. I want to ask him this question: Because the A. A. A. was successful, as he claims, does he think that under soil conservation God Almighty is going to help as He did the A. A. A.?

Mr. WOODRUM. Oh, I think God Almighty will always do His part; and I will wager the gentleman from Massachusetts that the gentleman from Kansas votes for this appropriation.

Mr. GIFFORD. That I will?

Mr. WOODRUM. I am talking about the gentleman from Kansas [Mr. HOPE], whose opinion on agricultural matters we honor and respect. I wager that he will vote for this appropriation.

Mr. GIFFORD. Oh, I shall probably vote with him.

Mr. WOODRUM. And I wonder if my friend has seen the morning paper, with the account of the huge income-tax payments, which are pouring in to such an extent that as the newspaper says, they have inspired rumors on Capitol Hill that it might not even be necessary to pass a tax bill. It may not be necessary to pass another tax bill because of the 46-percent increase in income-tax returns.

Mr. GIFFORD. Was the gentleman listening the other day when I told the House that we did not need to pass a tax bill, because the Eccles theory of borrowing money has brought about this prosperity?

Mr. WOODRUM. Oh, this is not borrowing money; these are income-tax returns.

Mr. GIFFORD. You do not need the income tax. Just borrow money, according to Mr. Eccles, and that creates credit, and that will surely account for all of the prosperity.

Mr. WOODRUM. Borrowing money?

Mr. GIFFORD. We do not need a tax bill.

Mr. WOODRUM. The gentleman says that the income-tax returns are the result of borrowing money. Income-tax returns are the result of citizens of the United States having more taxable income in the last fiscal year than they had before.

Mr. GIFFORD. I am not one of them.

Mr. WOODRUM. The money is pouring into the Treasury.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BOILEAU. The gentleman refers to prosperity in January 1936, as compared with the conditions in 1935. In January 1935 we imported into this country from Canada 150,000 pounds of cheese, while in January 1936 we imported from Canada 750,000 pounds of cheese, and since the first of the year the price of cheese went down 3 cents a pound in this country. Does the gentleman think that is prosperity for the dairy industry?

Mr. WOODRUM. The gentleman has not heard me or any of my colleagues state that the millennium had come. I do not say that there are not still rocks in the path ahead, but the ship of state is moving forward under the gallant, courageous leadership of our pilot in the White House, and the people of the country know it.

Mr. BOILEAU. And I say to the gentleman that some of these rocks have been taken out of one path and put into the path of the dairy industry.

Mr. WOODRUM. Oh, I do not say that there are not certain groups in this country who have not recovered as quickly as we want them to.

Mr. BOILEAU. And this appropriation we are now considering is one of the rocks put in the path of the dairy industry.

Mr. WOODRUM. No; I do not think that. The gentleman will see from the hearings that Mr. Chester Davis, speaking in response to a question by the gentleman from Iowa about whether taking land out of production and putting it into grass would hurt the dairy industry. Mr. Davis said in his judgment it would not. He said their experience had been under the Triple A that although they had taken land out of production that went into grass, strange as it may seem, that fact of itself had not adversely affected the dairy industry, but that if it did, they had the power and the funds and the purpose under this bill to meet the emergency if it presented itself.

Mr. BOILEAU. Does the gentleman believe there is more feed for dairy cattle in grass than in tobacco?

Mr. WOODRUM. I am not thinking about the dairy industry or about tobacco. I am thinking about the farmers of the United States altogether. This bill is the administration's plan to help agriculture as a whole, and the gentleman well knows agriculture is better off today than it was when we came into power, and we are going to keep it better off, and the people of the country know that in the White House we have a man who will keep it in that condition if he can.

Mr. BOILEAU. I grant that conditions in agriculture are better off today than at that time, and conditions in all lines of industry have likewise improved, but I say to the gentleman that the dairy farmers have not received as much benefit as other groups of farmers, and have not received as much benefit as industry, and the bill for which this appropriation is made will further injure the dairy industry, and will do immeasurable damage to that industry, which is the largest of all agricultural industries.

Mr. WOODRUM. I appreciate the gentleman's apprehension about the industry he so ably represents. I do not believe the administration in charge of this farm bill is going to permit any one group to be adversely affected by it, and I believe if anything happens in its administration that does adversely affect the dairy industry, the situation will be met by the administration.

Mr. BOILEAU. It is very clear that this twenty-five or thirty million acres will practically all be put into grass and legumes, which can be used only as feed for livestock, and to that extent this twenty-five or thirty million acres of land will be put into direct competition with the dairy industry. Dairying cannot get any benefit out of the bill under such circumstances, and it must result in injury to the dairy industry. It cannot be anything else. You cannot spell it in any other way. There will be more lands being used for dairy purposes, and that is all.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HOOK. I just want to call the attention of the gentleman from Wisconsin [Mr. BOILEAU] to the statement of Mr. Reed, head of the dairy industry, which says that this is good for the dairy industry.

Mr. BOILEAU. Who is this man Reed? I never heard of any great agriculturist by the name of Reed.

Mr. WOODRUM. Mr. Speaker, I do not yield further. I am sorry the gentleman from Pennsylvania [Mr. RICH] did not remain here. The gentleman is always talking about wrecking the country. I want to read a little letter that went into the CONGRESSIONAL RECORD. It was put in by the gentleman from Texas, but I am afraid we did not all hear it in the confusion. This is a letter written by the Woolrich Woolen Mills, of Woolrich, Pa. [Laughter.]

Mr. MILLARD. That is old stuff now.



Mr. WOODRUM. It may be old stuff, but it is still good stuff. [Laughter.]

DEAR CUSTOMER: Time marches on. 1935 has passed into history. Woolrich enjoyed one of the best years in its 105 years of existence.

What a wail that is! The tragedy of it is that today some of the loudest wails, the loudest squawks, that are coming against the administration and the man in the White House are from people like the gentleman from Pennsylvania [Mr. RICH], who has more largely and directly benefited by the wise leadership of this administration.

Mr. GIFFORD. May I take the place of the gentleman from Pennsylvania [Mr. RICH]?

Mr. WOODRUM. In just a moment. I want to say, Mr. Speaker, that, in my judgment, it is not a thing to brag about, for an industry in Massachusetts or Pennsylvania or Virginia, which has so greatly prospered in these past 2 or 3 years, when most of the people of this country were being ground into the dust by the awful economic conditions through which they passed. It would be interesting indeed to know, if we might know, how the Woolrich Co., of Woolrich, Pa., of which the gentleman from Pennsylvania [Mr. RICH] is one of the rich owners, managed and manipulated its affairs during these terrible and terrific years, when labor was starving and being underpaid, and when the bread lines were lengthening. We should like to know how it happened that they had one of the best years in their 105 years of existence. One of the beneficiaries of that condition stands in the Well of this House almost daily and criticizes the administration that has made it possible for his business to be resurrected during such a terrible time.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for just a moment?

Mr. WOODRUM. Yes; I yield to the distinguished gentleman from Alabama.

Mr. BANKHEAD. In connection with the business prosperity of the country, although the United States Chamber of Commerce has been very critical of this administration, only a few days ago its president, Harper Sibley, gave out this statement:

Despite the disturbing factors of government, business is at the highest level in the past 5 years.

Mr. WOODRUM. Everywhere you hear that.

Mr. BANKHEAD. Will the gentleman yield for another moment?

Mr. WOODRUM. Certainly.

Mr. BANKHEAD. The General Motors Corporation, which is very largely owned by some gentlemen who recently gave a dinner here in Washington [laughter], reports their net income for 1935 the sum of \$167,000,000.

Mr. WOODRUM. The difficulty is we are going to have a boom. That is what is worrying me. [Laughter.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. GIFFORD. I want to remind the gentleman, when he talks about "time marches on", that I have a patent on that. "Time marches on!" But I wish to say, substituting for the gentleman from Pennsylvania [Mr. RICH], you cannot blame a successful businessman who is running a successful business, employing a lot of people and paying his taxes, for thinking how terrible it is that billions should have to be borrowed, thereby holding up everybody else.

Mr. WOODRUM. No; I do not blame him; but I say when he is squawking about business conditions he is not thinking about the welfare of the country. He is thinking about the fact that after resurrecting this country he is going to have to disgorge one or two of those dollars of profits that he made in 1935.

Mr. GIFFORD. The gentleman from Pennsylvania feels like I do, that because you spend billions and billions and billions, according to the Eccles' theory, which is taught us in our committee, that has brought about your prosperity. We worry. RICH worries. I worry, and the gentleman worries, but he does not say anything about it. We are all worrying about the \$40,000,000,000 facing us. The gentleman's own Senator from Virginia suggested \$50,000,000,000.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the amendment. [Laughter.]

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 118, noes 33.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

Mr. WOODRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. Was that the vote on the motion to recede and concur with the amendment?

The SPEAKER. Yes. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 263, nays 83, not voting 84, as follows:

[Roll No. 40]

YEAS—263

Allen	Doughton	Kopplemann	Reilly
Andresen	Doxey	Kramer	Richards
Arends	Drewry	Lambertson	Robertson
Ashbrook	Driscoll	Lambeth	Robinson, Utah
Bankhead	Driver	Lanham	Rogers, N. H.
Barry	Duncan	Lea, Calif.	Rogers, Okla.
Beam	Dunn, Pa.	Lenke	Rudd
Belter	Eagle	Lewis, Colo.	Ryan
Bell	Edmiston	Lucas	Sabath
Biermann	Eicher	Luckey	Sadowski
Binderup	Faddis	Ludlow	Sanders, Tex.
Bland	Ferguson	Lundeen	Sandlin
Blanton	Fernandez	McAndrews	Schaefer
Bloom	Fiesinger	McClellan	Schuetz
Boehne	Fitzpatrick	McCormack	Scott
Boland	Flannagan	McFarlane	Scrugham
Boykin	Fletcher	McGehee	Sears
Boylan	Ford, Calif.	McGrath	Secret
Brown, Ga.	Ford, Miss.	McKeough	Shannon
Brown, Mich.	Frey	McLaughlin	Sirovich
Buchanan	Fuller	McMillan	Sisson
Buck	Fulmer	McReynolds	Smith, Conn.
Buckler, Minn.	Gambrill	Mahon	Smith, Va.
Burch	Gasque	Maloney	Smith, Wash.
Burdick	Gassaway	Mansfield	Smith, W. Va.
Caldwell	Gavagan	Martin, Colo.	Snyder, Pa.
Cannon, Mo.	Gilchrist	Mason	Somers, N. Y.
Carlson	Gildea	Massingale	South
Carpenter	Gillette	Maverick	Spence
Cartwright	Goldsborough	May	Stack
Cary	Granfield	Mead	Starnes
Castellow	Gray, Ind.	Meeks	Stefan
Celler	Green	Merritt, N. Y.	Stubbs
Chandler	Greenway	Miller	Sullivan
Chapman	Greenwood	Mitchell, Ill.	Tarver
Christianson	Gregory	Mitchell, Tenn.	Taylor, Colo.
Clark, N. C.	Griswold	Moran	Taylor, S. C.
Cochran	Guyer	Murdoch	Terry
Coffee	Haines	Nelson	Thom
Colden	Halleck	Nichols	Thomason
Cole, Md.	Hamlin	O'Brien	Thompson
Colmer	Hancock, N. C.	O'Connell	Thurston
Cooley	Hart	O'Connor	Tolan
Cooper, Tenn.	Hildebrandt	O'Day	Turner
Costello	Hill, Ala.	O'Leary	Umstead
Cox	Hill, Knute	O'Neal	Utterback
Cravens	Hill, Samuel B.	Owen	Vinson, Ga.
Creal	Hook	Palmisano	Vinson, Ky.
Crosby	Hope	Parks	Wallgren
Cross, Tex.	Houston	Parsons	Walter
Crowe	Huddleston	Patman	Warren
Cullen	Imhoff	Patterson	Wearin
Cummings	Jacobsen	Patton	Weaver
Curley	Jenckes, Ind.	Pearson	Welch
Daly	Johnson, Okla.	Peterson, Fla.	Werner
Darden	Johnson, Tex.	Peterson, Ga.	West
Delaney	Johnson, W. Va.	Pfeifer	Whelchel
Dickstein	Jones	Pierce	White
Dies	Keller	Polk	Whittington
Dietrich	Kennedy, N. Y.	Quinn	Wilcox
Dingell	Kenney	Rabaut	Williams
Dirksen	Kinzer	Ramspeck	Wilson, La.
Disney	Kieberg	Randolph	Woodrum
Dobbins	Kloeb	Rankin	Young
Dockweiler	Kniffin	Rayburn	Zimmerman
Dorsey	Kocialkowski	Reed, Ill.	

NAYS—83

Amlie	Cavicchia	Crowther	Focht
Andrew, Mass.	Church	Culkin	Gearhart
Bacharach	Citron	Darrow	Gehrmann
Bacon	Cole, N. Y.	Ditter	Gifford
Blackney	Collins	Dondero	Goodwin
Bolleau	Connery	Ekwall	Gray, Pa.
Brewster	Cooper, Ohio	Ellenbogen	Hancock, N. Y.
Burnham	Crawford	Engel	Harter
Cannon, Wis.	Crosser, Ohio	Englebright	Higgins, Conn.



Hoffman	Marcantonio	Risk	Tinkham
Hollister	Martin, Mass.	Rogers, Mass.	Tobey
Holmes	Merritt, Conn.	Russell	Treadway
Hull	Millard	Sauthoff	Turpin
Kahn	Mott	Schneider, Wis.	Wadsworth
Kvale	O'Malley	Seger	Wigglesworth
Lamneck	Peyser	Shanley	Wilson, Pa.
Lehibach	Pittenger	Short	Withrow
McLean	Plumley	Snell	Wolcott
Maas	Powers	Stewart	Wolfenden
Main	Ransley	Sutphin	Woodruff
Mapes	Reed, N. Y.	Taber	

## NOT VOTING—84

Adair	Doutrich	Jenkins, Ohio	Oliver
Andrews, N. Y.	Duffey, Ohio	Kee	Perkins
Ayers	Duffy, N. Y.	Kelly	Pettengill
Barden	Dunn, Miss.	Kennedy, Md.	Ramsay
Berlin	Eaton	Kerr	Reece
Bolton	Eckert	Knutson	Rich
Brennan	Evans	Larrabee	Richardson
Brooks	Farley	Lee, Okla.	Robison, Ky.
Buckbee	Fenerty	Lesinski	Romjue
Buckley, N. Y.	Fish	Lewis, Md.	Sanders, La.
Bulwinkle	Gingery	Lord	Schulte
Carmichael	Greever	McGroarty	Steagall
Carter	Gwynne	McLeod	Summers, Tex.
Casey	Harlan	McSwain	Sweeney
Claiborne	Hartley	Marshall	Taylor, Tenn.
Clark, Idaho	Healey	Michener	Thomas
Corning	Hennings	Monaghan	Tonry
Dear	Hess	Montague	Underwood
Deen	Higgins, Mass.	Montet	Wolverton
Dempsey	Hobbs	Moritz	Wood
DeRouen	Hoepfel	Norton	Zioncheck

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Richardson (for) with Mr. Robison of Kentucky (against).  
 Mr. Kelly (for) with Mr. Hartley (against).  
 Mr. Dear (for) with Mr. Bolton (against).  
 Mr. Ayres (for) with Mr. Taylor of Tennessee (against).  
 Mr. Schulte (for) with Mr. Thomas (against).  
 Mr. Wood (for) with Mr. Reece (against).  
 Mr. Claiborne (for) with Mr. Jenkins of Ohio (against).  
 Mr. Lee of Oklahoma (for) with Mr. Andrews of New York (against).  
 Mr. McSwain (for) with Mr. Marshall (against).  
 Mr. Romjue (for) with Mr. Michener (against).  
 Mr. Harlan (for) with Mr. Rich (against).  
 Mr. Monaghan (for) with Mr. Perkins (against).  
 Mr. Kerr (for) with Mr. Hess (against).  
 Mrs. Norton (for) with Mr. Lord (against).  
 Mr. Dunn of Mississippi (for) with Mr. Eaton (against).

Until further notice:

Mr. Oliver with Mr. McLeod.  
 Mr. Steagall with Mr. Wolverton.  
 Mr. Summers of Texas with Mr. Knutson.  
 Mr. Bulwinkle with Mr. Gwynne.  
 Mr. Carmichael with Mr. Fenerty.  
 Mr. Corning with Mr. Buckbee.  
 Mr. Montague with Mr. Fish.  
 Mr. Pettengill with Mr. Doutrich.  
 Mr. Lewis of Maryland with Mr. Carter.  
 Mr. Farley with Mr. Hobbs.  
 Mr. Sweeney with Mr. Clark of Idaho.  
 Mr. Tonry with Mr. Sanders of Louisiana.  
 Mr. Greever with Mr. Brennan.  
 Mr. Adair with Mr. Hennings.  
 Mr. Ramsay with Mr. Larrabee.  
 Mr. Zioncheck with Mr. Deen.  
 Mr. Lesinski with Mr. McGroarty.  
 Mr. Duffey of Ohio with Mr. Montet.  
 Mr. Kennedy of Maryland with Mr. Eckert.  
 Mr. Duffy of New York with Mr. Gingery.  
 Mr. Barden with Mr. Healey.  
 Mr. Berlin with Mr. Higgins of Massachusetts.  
 Mr. Dempsey with Mr. Evans.  
 Mr. Brooks with Mr. Casey.  
 Mr. DeRouen with Mr. Buckley of New York.  
 Mr. Underwood.

Mr. CROSSER of Ohio. Mr. Speaker, I change my vote from "yea" to "nay."

The result of the vote was announced as above recorded. The doors were opened.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. WOODRUM. Mr. Speaker, the next three amendments merely change section numbers. I ask unanimous consent that they may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment no. 10: Page 42, line 5, strike out the figure "2" and insert the figure "3."

Amendment no. 11: Page 43, line 9, strike out the figure "3" and insert the figure "4."

Amendment no. 12: Page 43, line 14, strike out the figure "4" and insert the figure "5."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendments nos. 10, 11, and 12, and concur in the same; and on this motion I move the previous question.

The previous question was ordered.

The motion to recede and concur was agreed to.

## CIVILIAN CONSERVATION CORPS CAMPS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, ladies and gentlemen of the House, the Members, no doubt, all are familiar with the fact that an Executive order has been issued reducing the number of C. C. C. camps in the United States. Most of the Members also are familiar with the fact that a number of my petitions were circulated in the House asking that this Executive order be rescinded and that the number of enrollees in the C. C. C. camps be held to 500,000. These petitions were presented to the Chief Executive last Saturday, and the indications are that they will not be acted upon favorably.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of the petition, together with the names of the Members of the House of Representatives who signed the petition.

The SPEAKER pro tempore (Mr. WHITTINGTON). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The matter referred to is as follows:

## TO THE PRESIDENT OF THE UNITED STATES:

We, the undersigned Members of the House of Representatives, being mindful of the great good that is flowing from the activities of the C. C. C. camps in the United States, not only as to the physical good that their labor is doing for the forests, the parks, the Biological Survey, the T. V. A., Bureau of Reclamation, Division of Grazing, and the Soil Conservation Service, and other constructive miscellaneous undertakings; and being mindful of the further healthy results that flow therefrom by reason of the fact that this program at its outset took some half million boys of this Nation off of the highways and streets, took many of them out of criminal environments and placed them in healthy, sanitary, well-regulated, character-building occupations from which they earn a sufficient amount of money to each month send their folks at home \$25; and feeling sure that the expense incurred by the Government in order to carry on this wonderful program is the one expenditure of governmental funds against which no one in the United States makes complaint; and feeling sure that the program and the results obtained therefrom are justified in every respect:

We therefore respectfully petition you to rescind the recent order reducing the personnel in C. C. C. camps, and urge you to maintain this personnel at 500,000, and pledge you our best efforts to maintain this agency through the appropriation of sufficient funds to carry on the program in this proportion.

## MEMBERS WHO HAVE SIGNED PETITION

Alabama: Frank W. Boykin, First District; Joe Starnes, Fifth District; Sam Hobbs, Fourth District; Lister Hill, Second District.  
 Arizona: Isabella Greenway, at large.

Arkansas: William J. Driver, First District; John E. Miller, Second District; Claude A. Fuller, Third District; Ben Cravens, Fourth District; David D. Terry, Fifth District; John L. McClellan, Sixth District; Tilman B. Parks, Seventh District.

California: Clarence L. Lea, First District; John F. Dockweiler, Sixteenth District; Charles Kramer, Thirteenth District; Harry L. Englebright, Second District; Byron N. Scott, Eighteenth District; John H. Tolan, Seventh District; Frank H. Buck, Third District; Charles J. Colden, Seventeenth District; John M. Costello, Fifteenth District; John H. Hoepfel, Twelfth District; Henry E. Stubbs, Tenth District.

Colorado: Fred Cummings, Second District; Edward T. Taylor, Fourth District; John A. Martin, Third District; Lawrence Lewis, First District.

Connecticut: James A. Shanley, Third District; William M. Citron, at large; Herman P. Kopplemann, First District.

Florida: J. Mark Wilcox, Fourth District; J. Hardin Peterson, First District; Robert A. Green, Second District; W. J. Sears, at large.

Georgia: Paul Brown, Tenth District; B. Frank Wheelchel, Ninth District.

Idaho: Compton I. White, First District.



Illinois: Donald C. Dobbins, Nineteenth District; Arthur W. Mitchell, First District; Chauncey W. Reed, Eleventh District; Harry H. Mason, Twenty-first District; Scott W. Lucas, Twentieth District; Edwin M. Schaefer, Twenty-second District; Leo Kocialkowski, Eighth District; Leonard W. Schuetz, Seventh District; Raymond S. McKeough, Eighth District; Chester Thompson, Fourteenth District; Kent E. Keller, Twenty-fifth District; Thomas J. O'Brien, Sixth District; James McAndrews, Ninth District; Everett M. Dirksen, Sixteenth District.

Indiana: Arthur H. Greenwood, Seventh District; John W. Boehne, Jr., Eighth District; Virginia E. Jenckes, Sixth District; Eugene B. Crowe, Ninth District; Glenn Griswold, Fifth District; William T. Schulte, First District.

Iowa: Hubert Utterback, Sixth District; Bernhard M. Jacobsen, Second District; Otha D. Wearin, Seventh District; Fred Biermann, Fourth District; Edward C. Elcher, First District; John W. Gwynne, Third District.

Kansas: Edward W. Patterson, Third District; Randolph Carpenter, Fourth District; John M. Houston, Fifth District; William P. Lambertson, First District; U. S. Guyer, Second District.

Kentucky: Andrew J. May, Seventh District; Glover H. Cary, Second District; William V. Gregory, First District; Edward W. Creal, Fourth District; Fred M. Vinson, Eighth District; Brent Spence, Fifth District.

Louisiana: Paul H. Maloney, Second District; Joachim O. Fernandez, First District; Numa F. Montet, Third District.

Maryland: Vincent L. Palmisano, Third District; David J. Lewis, Sixth District.

Massachusetts: William P. Connery, Seventh District; John W. McCormack, Twelfth District; William J. Granfield, Second District; John P. Higgins, Eleventh District; Joseph E. Casey, Third District; Richard M. Russell, Ninth District; Arthur D. Healey, Eighth District.

Michigan: Frank E. Hook, Twelfth District; George G. Sadowski, First District; Prentiss M. Brown, Eleventh District; Lewis C. Rabaut, Fourteenth District; John Lesinski, Sixteenth District.

Minnesota: Melvin J. Maas, Fourth District; W. A. Pittenger, Eighth District; Harold Knutson, Sixth District.

Mississippi: William M. Colmer, Sixth District; Aubert C. Dunn, Fifth District; Wall Doxey, Second District; A. L. Ford, Fourth District; Dan R. McGehee, Seventh District.

Missouri: Clyde Williams, Eighth District; C. Jasper Bell, Fourth District; John J. Cochran, Thirteenth District; Reuben T. Wood, Sixth District; W. J. Nelson, Second District; Orville Zimmerman, Tenth District; Thomas C. Hennings, Jr., Eleventh District; James R. Claiborne, Twelfth District; Richard M. Duncan, Third District.

Montana: Joseph P. Monaghan, First District.

Nebraska: Charles F. McLaughlin, Second District; Henry C. Luckey, First District; C. J. Binderup, Fourth District.

Nevada: James G. Scrugham.

New Jersey: Mary T. Norton, Thirteenth District; D. Lane Powers, Fourth District; William H. Sutphin, Third District; Edward A. Kenney, Ninth District.

New Mexico: John J. Dempsey.

New York: James M. Mead, Forty-second District; James P. B. Duffy, Thirty-eighth District; Fred J. Sisson, Thirty-third District; John J. O'Connor, Sixteenth District; Caroline O'Day, at large; Joseph A. Gavanagh, Twenty-first District.

North Carolina: John H. Kerr, Second District; Frank Hancock, Fifth District; Zebulon Weaver, Eleventh District; Harold D. Cooley, Fourth District.

North Dakota: William Lemke, at large; Usher L. Burdick, at large.

Ohio: Lawrence E. Imhoff, Eighteenth District; Robert T. Secrest, Fifteenth District; Frank C. Kniffin, Fifth District; William L. Fiesinger, Thirteenth District; Martin L. Sweeney, Twentieth District; Warren J. Duffey, Ninth District; William A. Ashbrook, Seventeenth District.

Oklahoma: Wilburn Cartwright, Third District; Josh Lee, Fifth District; Sam Massingale, Seventh District; Jed Johnson, Sixth District; Jack Nichols, Second District; Phil Ferguson, Eighth District; W. E. Disney, First District; P. L. Gassaway, Fourth District; Will Rogers, at large.

Oregon: Walter M. Pierce, Second District; William A. Ekwall, Third District; James W. Mott, First District.

Pennsylvania: Frank J. G. Dorsey, Fifth District; Charles R. Eckert, Twenty-sixth District; D. J. Driscoll, Twentieth District; Charles I. Faddis, Twenty-fifth District; C. Elmer Dietrich, Fifteenth District; M. A. Dunn, Thirty-fourth District; Harry L. Haines, Twenty-second District; Francis E. Walter, Twenty-first District; William M. Berlin, Twenty-eighth District; Patrick J. Boland, Eleventh District; Henry Ellenbogen, Thirty-third District; Joseph Gray, Twenty-seventh District; J. Buell Snyder, Twenty-fourth District; Don Ginery, Twenty-third District; Charles N. Crosby, Twenty-ninth District; Oliver W. Frey, Ninth District.

Rhode Island: John M. O'Connell, Second District.

South Carolina: Hampton P. Fulmer, Second District; Thomas S. McMillan, First District; James P. Richards, Fifth District; Allard H. Gasque, Sixth District; John C. Taylor, Third District.

South Dakota: Theo. B. Werner, Second District; Fred H. Hildebrandt, First District.

Tennessee: Walter Chandler, Ninth District; S. D. McReynolds, Third District; John R. Mitchell, Fourth District; Clarence W. Turner, Sixth District.

Texas: Morgan G. Sanders, Third District; W. D. McFarlane, Thirteenth District; Maury Maverick, Twentieth District; Thomas L. Blanton, Seventeenth District; Nat Patton, Seventh District; Luther A. Johnson, Sixth District; Milton H. West, Fifteenth Dis-

trict; Joe H. Eagle, Eighth District; Wright Patman, First District; George H. Mahon, Nineteenth District; Martin Dies, Second District; Sam Rayburn, Fourth District.

Utah: J. W. Robinson, Second District.

Virginia: S. O. Bland, First District; Clifton A. Woodrum, Sixth District; John W. Flannagan, Jr., Ninth District.

Washington: Knute Hill, Fourth District; Monrad C. Wallgren, Second District; Martin F. Smith, Third District; Samuel B. Hill, Fifth District.

West Virginia: Andrew Edmiston, Third District; George W. Johnson, Fourth District; Jennings Randolph, Second District; Joe L. Smith, Sixth District; John Kee, Fifth District; Robert L. Ramsay, First District.

Wisconsin: Thomas O'Malley, Fifth District; Bernard J. Gehrmann, Tenth District; Gardner R. Withrow, Third District; Harry Sauthoff, Second District; Michael K. Reilly, Sixth District; Gerald J. Boileau, Seventh District; George J. Schneider, Eighth District.

Wyoming: Paul R. Greever.

Alaska: Anthony J. Dimond.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. KENNEY. There are others who wanted to sign that petition, including myself, but it was sent to the President before I could add my name to it.

Mr. NICHOLS. I may say that I will hold this petition in my office, no 1004, New House Office Building, until this evening, and will also have a copy of the petition over here, so it will be available throughout the day for Members to add their signatures.

I may say to the gentleman that after the petitions went to the President a great many Members called me and complained that they had not had an opportunity to sign the petition. They said they had just heard from home that some of their camps were going to be closed and wanted to go on record against this.

Lots of other Members are going to hear from home in the next few days. The list of camps to be closed on April 1 has not yet been compiled. Nobody knows what camps will be closed. Even those Members who have not heard any protests may be hurt on that date. If you believe in the C. C. C. program, I advise you to get on record to this effect, even if you have not yet heard from home.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. BLANTON. There are numerous camps where \$11,000 has been spent to provide barracks, and so forth, where orders have been given to move on the 1st of the month, with the work on the camps about one-third complete.

Mr. NICHOLS. Yes. I shall comment upon that.

Mr. Speaker, I preface my further remarks by calling attention to a statement appearing in this morning's Washington Post, purporting to be a statement coming from the President. I quote from the article.

In the outset I want to read from the morning's Washington Post a statement purported to have come from the President relative to the reduction in C. C. C. camps:

The President also shattered the hopes of Members of Congress who have been attempting to prevent reduction in the personnel and number of C. C. C. camps. C. C. C., which is provided with a prospective appropriation of \$246,000,000 in the Budget, is expected to be reduced from an enrollment of 380,000 at present to 300,000.

The number of camps is expected to be reduced from 2,158 to 1,456. The schedule calls for a reduction of 455 April 1 and 247 July 1, a total of 702.

On the present basis of application, Mr. Roosevelt said, there will not be more than 300,000 men whose families are on relief available for enrollment in the camps. He said that the camps must be limited to prevent a break in the Budget and that a line must be drawn between persons on relief and those who are merely unemployed. He pointed out the danger of favoritism and scheming if the door is opened to young men not on relief.

It will be discovered from this that the President states there are at present approximately 380,000 enrollees in C. C. C. camps. I am advised by Mr. Fechner's office that this was the number of estimated enrollees on March 18.

The last figure which I was able to obtain before this time stated that there were 430,000 enrollees in C. C. C. camps.

Now, which of these figures is correct I am, of course, unable to say, but I would like to make a few deductions for the House, based upon information which I received this morning from Mr. Fechner's office.



It is agreed by everyone that at present there are 2,158 camps in the United States. I am advised by Mr. Fechner's office that it is the aim of the office to keep these camps at an enrollment of 206 men per camp. In order to use round numbers, if we were to assume that there were approximately 200 men in each of the 2,158 camps now in the United States, we would find that upon this basis there are at present 421,600 enrollees now in the camps in the United States.

This becomes important for the following reasons:

First. The above statement says that the number must be reduced to approximately 300,000, because there are no more boys than this available from relief families. Now I do not know who furnished the President with this information, but I am frank to say to you that I am skeptical of its correctness.

Be that as it may, however, if there are only 380,000 enrollees in the camps in the United States today, then the order will take 80,000 boys out of these camps, while, if the 421,600 figure is correct, the order will take out of the camps 121,600 boys.

Mr. Fechner's office also advises me that the Labor Department estimates that at present there are from 30,000 to 40,000 boys waiting to be enrolled in C. C. C. camps.

Even upon their own figures the next period could start with 340,000, if the enrollment was to be reduced on July 1 to 300,000.

When the order goes into effect carrying out the present plan, that is, reducing the number of camps from 2,158 to 1,456, this means that there will be taken out of the district of each Member of Congress, one and one-half camps, because the reduction calls for the knocking out of 702 camps, and there are but 435 congressional districts in the United States, including those States which not only have congressional districts but have one or more Members at large.

This means, then, if there are 200 enrollees in each camp, that 300 families in every congressional district in the United States, on an average, will be affected by this reduction.

And this is a serious effect, because at the time that these boys went into the various camps they could not get in unless their family was upon the relief rolls, and immediately upon their entrance into the camp that family was taken off the relief rolls.

Since that time rules have been promulgated which prevent anyone from getting on the relief rolls at this time, even though the family be in destitute circumstances.

Therefore you will have 300 families in every congressional district in the United States who are presumed to be destitute and need relief, whose only livelihood will be cut off by this order, and under the recent rules of Mr. Hopkins' office will be prevented from getting back on relief.

Besides this fact there is another fact to be considered. I presume that in every instance where a camp was established there was a good and sufficient reason for its establishment, in that there was a worth-while project for the camp to work on. If this is true, then under this order there will be literally hundreds of worth-while projects which will stop where they are. Some of them barely started; many of them only half completed; and many of them almost to the point of completion; and in many, many instances local communities have by bond issue and other means put up large sums of money to induce the Government to establish these camps, and at the time that the camps were established in my district the people of my district were assured that they would be established there upon a 5-year plan.

Therefore, assuming that the 2,158 camps now in existence are all worth-while camps, and that 206 enrollees are required to each camp to carry on its work, which is the figure given to me by Mr. Fechner's office, we should maintain an enrollment of 444,548 boys.

Mr. Fechner's office was not able to advise me as to exactly what the per-man-year cost was in keeping these boys in the camps, but I notice by the news story, above referred to, that there is \$246,000,000 in the Budget for the purpose of carrying on the work of these C. C. C. camps.

Incidentally, reference was made to the fact that the per-man per-year cost in the past had been \$1,140 for C. C. C. camps, but that it was only \$700 per man under W. P. A. In this connection permit me to point out to the Members that these figures were furnished by Harry Hopkins. It is only fair to say that figured in the \$1,140 per-man per-year cost in the C. C. C. camps is from \$16,000 to \$18,000 for the establishment of each camp, and figured in it also is all of the technical help and all of the equipment for the camps.

But in the case of \$700 per-man per-year cost for the W. P. A. only the wages paid and general overhead were figured, and this does not include material cost nor cost of buildings to house personnel.

It is my opinion that it will take approximately \$440,000,000 to maintain the enrollment at 440,000 enrollees. I am sure that it cannot take more than this, and I am of the opinion that this figure can be reduced materially. But, using that as a basis, if there are \$246,000,000 appropriated as provided in the Budget, it will require an additional \$154,000,000 to keep the enrollment to the figure that I have mentioned. And unless this can be done by some other method, I suggest to the House that when the relief bill comes before the House for consideration, or while it is before the Committee for consideration, that \$154,000,000 of these funds be earmarked to keep the enrollment in C. C. C. camps up to approximately 440,000.

And as for the above newspaper statement that there are only 300,000 boys available from the relief rolls for work in C. C. C. camps, while I cannot readily agree that there are no more than this number available, yet, for the sake of argument, I am willing to admit it.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, still I say that the number should be maintained at approximately 440,000, and I cannot agree with the President that it is dangerous to go outside of the relief rolls in order to find these enrollees. As a matter of fact, I am one of those who believe that this program is of enough importance that it should be broadened so as to permit the taking into these camps of some boys who are not upon relief, and I am sure that with all the wisdom we have in our Government that it will be possible to provide an equitable yardstick by which to measure to qualifications of the boys who are to enter the camps, outside of those who are upon relief.

With the problems above referred to in mind, and with many others that will readily present themselves, and feeling the great necessity of protecting this program, I have obtained the caucus room in the Old House Office Building for 10:30 Friday morning, and I am earnestly hopeful that every Member of the House who is interested in this matter will be present at 10:30, where we can discuss plans of further procedure to protect the C. C. C. camps of this Nation.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Permit me to say to my colleague from Oklahoma that I am deeply interested in this matter of keeping our present C. C. C. camps. I feel, also, that a grave emergency faces this Congress that requires immediate action. I may say that I am interested in the suggestion that the Congress earmark certain relief funds to take care of the C. C. C. camps. May I suggest to the gentleman, however, that the relief bill will probably not come to this House until after the 1st of April, at which date the damage will be done, as more than 400 additional camps will have been closed.

Mr. NICHOLS. Perhaps that is the best we can do, but at the time we earmark funds we can provide for opening up the camps which have been closed.

Mr. RANDOLPH. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from West Virginia.



Mr. RANDOLPH. Is it not a fact that the argument of the Federal relief authorities that it will increase the relief load if the C. C. C. camps are continued on the basis the gentleman desires is false in that now of the \$30 per month paid, \$25 goes back to protect the boys' families from relief, which will throw these families back on the relief rolls if the camps are closed? It will be a disaster to wreck the finest phase of the relief work program, and one that is universally popular.

Mr. NICHOLS. That is right.

Mr. HAMLIN. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Maine.

Mr. HAMLIN. May I ask the gentleman if he knows that on last Saturday night in Portland, Maine, at the largest Jackson dinner we ever had, when the matter of C. C. C. camps was spoken of, the whole audience rose and showed their desire to have those camps not only kept but increased in number?

Mr. NICHOLS. I may say to the gentleman that I do not think there is any portion of the recovery program that has been as universally popular.

Mr. FERGUSON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. To substantiate the claim of local cooperation, may I say that I have a city that put up a half million dollars to develop a camp, buy the land, and so forth, and the camp is to be abandoned in 6 months. There is another city in which the farm community has 72,000 acres under contract for soil conservation. All the contracts are to be thrown overboard by this arbitrary action.

Mr. NICHOLS. May I say to the gentleman that with a concerted effort on the part of the Members of this House, and if we all stand foursquare, this can be stopped if we will just do it.

Mr. REED of New York. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. REED of New York. I received a protest from some prominent people in my district in which some of these camps are located, stating they wanted the camps retained. I was curious to know why they had been eliminated. It might be interesting to the membership to say that when I traced the matter down through the Department here I found that the recommendation had come from the State parks board of my State. That information was passed along here so as to show that it is nothing for which we are responsible.

[Here the gavel fell.]

#### EXEMPTION FROM TAXATION OF CERTAIN ASSETS OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, I call up a privileged resolution, House Resolution 451, and ask for its immediate consideration.

The Clerk read as follows:

##### House Resolution 451

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3978, an act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. MARTIN of Massachusetts. Will the gentleman yield for a question?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Is it the gentleman's intention to try and finish this bill this evening?

Mr. SABATH. We are going to try to finish it if it is possible. We are going to ask unanimous consent to reduce the time for general debate from 4 hours to 2 or 1 hour, as the question is very well known to the membership. If it is at all possible, we will try to finish the bill this evening.

Mr. KENNEY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New Jersey.

Mr. KENNEY. Can the gentleman tell us how many States now exempt these securities?

Mr. CELLER. Seventeen.

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, the gentleman states 17, and I take his word for it. This resolution makes in order Senate bill 3978. It provides for 4 hours' debate, confined to the bill, after which it shall be read for amendment under the 5-minute rule. The rule is broad and liberal, and no question is being raised against it. Although I have allotted 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY], the ranking Republican member of the Rules Committee, he has told me that in order to save time he will not use all the time allotted to him. I will therefore be brief myself.

This bill is similar to one brought before the House a short time ago, which was defeated by the small margin of 6 votes. Since that bill was first considered section 2 thereof has been modified to an extent which will eliminate one of the objections raised when the bill was before the House.

Mr. Speaker, ladies, and gentlemen, this bill has the unanimous support of the entire 25 members of the Banking and Currency Committee, and when members of that committee appeared before the Rules Committee they told us that they have made satisfactory explanations to many of the Members who voted against the bill because of features which they did not clearly comprehend, and that these Members have expressed a readiness to vote for the bill at this time.

It has been charged on the floor—and many Members believed it to be a fact—that this bill would relieve banks from certain taxation. If this were true, I would be the last man to support it.

This bill will not deprive the States of any taxation to which they are entitled. The Government has lent tremendous sums of money to these banks through the R. F. C., and by this means or through the legislation passed by Congress has in many instances caused an increase in value from 50 percent to 300 percent in the common stock. The loans made by the R. F. C. to banks, as I have remarked before, not only saved the stockholders from double liability but saved millions of depositors from losing their savings.

Notwithstanding the aid rendered banks by the Government, they have failed to cooperate with our efforts to restore prosperity during these past few years. They have withheld credit to industries and in every other conceivable way made our task difficult. In view of this I repeat that I would be the last man to support any legislation exempting the banks from taxation. However, in exempting the preferred stock and debentures held by the R. F. C., the States are in no way deprived of any taxes, since the stocks and assets of banks have increased so tremendously because of R. F. C. advances and loans that the States are deriving far greater revenues than they did previously. Then, too, the tax is not levied upon the number of shares or upon the par value of shares, but upon the value of shares and the value of the assets of banks. I hope I make this clear to those who voted against the bill in the belief that it would deprive the States of certain tax revenues. I am including in my remarks today a statement I received from the R. F. C. as of January 31, 1936, which will enlighten the Members and refute the misstatements of certain people I have heard.

##### Activities of Government Lending Agencies to Jan. 31, 1936

##### RECONSTRUCTION FINANCE CORPORATION

Under President Hoover:

Disbursed, Feb. 2, 1932-Mar. 1, 1933.....	\$1,842,241,763.57
Repaid, Feb. 2, 1932-Mar. 1, 1933.....	368,372,884.83

Outstanding on Mar. 1, 1933.....	1,473,868,878.74
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Percent repaid, 20.



## Activities of Government lending agencies to Jan. 31, 1936—Contd.

## RECONSTRUCTION FINANCE CORPORATION—continued

## Under President Roosevelt:

Disbursed, Mar. 1, 1933–Jan. 31, 1936.....	\$6,531,956,374.94
Repaid, Mar. 1, 1933–Jan. 31, 1936.....	2,965,621,228.34

Outstanding since March 1, 1933.....	3,566,335,146.60
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Percent repaid, 45.3.

## Total since creation of R. F. C.:

Disbursed, Feb. 2, 1932–Jan. 31, 1936.....	8,374,198,138.51
Repaid, Feb. 2, 1932–Jan. 31, 1936.....	3,333,994,113.17

Outstanding on Jan. 31, 1936.....	5,040,204,025.34
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Percent repaid, 39.8.

## COMMODITY CREDIT CORPORATION (AMOUNTS INCLUDED IN R. F. C. TOTALS)

## Loans to farmers on—

## Cotton:

Disbursed, October 1933–Jan. 31, 1936.....	\$451,433,547.62
Repaid, October 1933–Jan. 31, 1936.....	162,468,136.40

Outstanding on Jan. 31, 1936.....	288,965,411.22
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Percent repaid, 35.8.

## Corn:

Disbursed, October 1933–Jan. 31, 1936.....	127,176,565.72
Repaid, October 1933–Jan. 31, 1936.....	124,990,878.13

Outstanding on Jan. 31, 1936.....	2,185,687.59
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Percent repaid, 98.2.

## Turpentine:

Disbursed, October 1933–Jan. 31, 1936.....	6,925,985.18
Repaid, October 1933–Jan. 31, 1936.....	986,531.65

Outstanding on Jan. 31, 1936.....	5,939,453.51
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Percent repaid, 14.2.

## Others:

Disbursed, October 1933–Jan. 31, 1936.....	16,549,671.75
Repaid, October 1933–Jan. 31, 1936.....	8,582,422.57

Outstanding on Jan. 31, 1936.....	7,967,249.18
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Percent repaid, 51.8.

## Total:

Disbursed, October 1933–Jan. 31, 1936.....	602,085,770.25
Repaid, October 1933–Jan. 31, 1936.....	297,027,968.75

Outstanding on Jan. 31, 1936.....	305,057,801.50
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Percent repaid, 49.3.

## HOME OWNERS' LOAN CORPORATION

Amount due, Jan. 31, 1936 (principal and interest).....	\$315,244,011
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Amount paid by Jan. 31, 1936 (principal and interest).....	232,401,915
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Amount unpaid when due.....	82,842,096
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Percent amount paid when due, 73.3.

Principal paid when due.....	81,478,484
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Principal unpaid when due.....	26,405,074
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Percent amount paid when due, 75.5.

Interest paid when due.....	150,923,431
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Interest unpaid when due.....	56,437,022
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Percent amount paid when due, 72.7.

## FARM CREDIT ADMINISTRATION

Only sketchy data are available from this agency for comparative purposes between 1935 and 1932. This is due to two factors—first, a change in accounting methods occurred in 1933 which upsets the relationships of figures in 1932 and 1935; second, a billion dollars has been added to the amount outstanding in loans in the past 2 years which by law are not due in any part for 3 years. The following figures on delinquencies are interesting; however, they apply only to Federal land-bank loans:

1932 (end), 52.6 percent delinquent.

1935 (end), 19.3 percent delinquent.

## PUBLIC WORKS ADMINISTRATION (REVOLVING FUND)

Disbursements to Feb. 24, 1936.....	\$487,000,000
Repayments to Feb. 24, 1936.....	352,000,000

Percent amount repaid to February 24, 1936, 58 percent.

This morning's papers also carried an item to the effect that income-tax collections have increased nearly 50 percent, a clear indication that business is improving and industries are making money, which enhances the value of all stocks and bonds and increases the value of taxable property in the different States.

In considering this bill it should be borne in mind that the exemption of taxation is only in force while these debentures and preferred stocks are owned by the R. F. C. When they no longer hold such debentures or stocks the exemption im-

mediately ceases. I do not feel that we should tax the Government for advances made on stocks and debentures. If we do so we permit the taxation by the States of preferred stock and debentures owned by the Government based on values made possible by the Government through the R. F. C.

In this connection I should like to call the Members' attention to evidence given this morning before the Federal Communications Commission, showing how the octopus American Telephone & Telegraph Co. has taken advantage of legislation enacted under President Roosevelt, and at the same time reduced the number of employees by 120,000 and reduced wages, while continuing to pay the regular \$9 dividend per share, even on millions of dollars' worth of watered stock. This is true not only with the A. T. & T. but with all the leading industries of the country, which have continued to pile up huge surpluses and continued to pay tremendous salaries to their officers of from \$100,000 to \$200,000 per year, and at the same time to cut wages and reduce the number of employees.

While I cannot agree to everything done by the R. F. C., as one advocating the creation of such an agency in 1931 I have been interested very deeply in its accomplishments; and, while I believe there have been many mistakes, at the same time I think it is rendering a great service to the Nation and has been instrumental in a great measure for improved business and conditions generally throughout the Nation.

Mr. Speaker, I do not wish to detain the House further, and, in view of the fact that the other side does not desire to take any time on the resolution, and since the question now appears to be thoroughly understood, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3978, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Chairman, for some reason or other, this bill has been considered in the light of some mysterious undertaking on the part of the Reconstruction Finance Corporation by which a decided advantage would be given to the national banks to the disadvantage of the State banks and the taxpayers.

Now, there is no mystery about this bill, as I see it, and the bill, as it is written, in my opinion, should be passed.

We saw fit to go along with this bill and vote for it when it was up here as a House bill, because we felt the Reconstruction Finance Corporation, or, as some people expressed it, the Federal Government, should not be penalized for coming into our localities and bailing out situations which would have resulted in the loss of billions of dollars to depositors in banks.

When we passed the original Reconstruction Finance Corporation Act, we exempted from local taxation their franchise, their own stock, their income, and everything except their holdings. I believe it was the intention of the Congress at that time to include the holdings of the Reconstruction Finance Corporation, and, as I view this bill, it is merely an attempt on our part to clarify what was very apparently our intention when the original Reconstruction Finance Act was passed.

Now, up to the present time the States have not assessed, levied, and collected any tax against the shares of stock held



in State or National banks by the Reconstruction Finance Corporation, for the reason that in some States the supreme courts have held that these shares were not taxable, on the theory that they were virtually holdings of the Federal Government and that the States could not tax the Federal Government. I presume they assume that the Reconstruction Finance Corporation in respect of its duties and powers is a fiscal agent of the Federal Government. The attorneys general of many of the States gave opinions that their States could not tax these holdings of the Reconstruction Finance Corporation, and many of them were of the deliberate opinion that we had intended to exempt the holdings when we passed the original act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I should prefer not to yield right now. I shall be pleased to yield a little later.

Now, there has been a great deal said about the losses to the States, and this is why I have made this statement, reviewing altogether too briefly, possibly, the history of this matter to show that up to the present time no State has collected any tax, and therefore their situations will not be changed if this bill is passed.

We went along on our side on the theory that the Reconstruction Finance Corporation and the taxpayers of the Nation should not be penalized for doing a mighty good job with respect to bailing out banks and depositors in these banks.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. Mr. Chairman, would it disturb the gentleman to yield for a very brief question?

Mr. WOLCOTT. No; I shall be pleased to yield to the gentleman.

Mr. BANKHEAD. Reference is made in the report, and the gentleman, in his argument, has referred to the fact, that it was evidently the purpose to incorporate this exemption in section 10 of the original act. Will the gentleman state, in substance, what that section 10 provides?

Mr. WOLCOTT. With respect to the exemption of holdings?

Mr. BANKHEAD. Yes.

Mr. WOLCOTT. Section 10 provides as follows, and, of course, this is existing law:

Any and all notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation, except surtaxes, estate, inheritance, and gift taxes now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent, according to its value, as other real property is taxed.

Now, if you read that paragraph in the light of the opinion given by the attorney general and the State supreme courts, it is very apparent that because we did not specifically except the personal property of the Reconstruction Finance Corporation, but did expressly except the real-estate holdings, it was clearly the intention of Congress that the personal-property holdings, which would include the shares of bank stock purchased by the Reconstruction Finance Corporation, would be exempt from local taxation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PATMAN. Is it not a fact that at the time the Reconstruction Finance Corporation Act was passed in 1932, and the time this provision was inserted in the law, the Reconstruction Finance Corporation could not purchase stock in the banks, but it was 14 months later. Therefore, Congress could not have contemplated taxing such stock, because at that time they could not purchase the stock.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. REILLY. Is it not a fact that the power given the Reconstruction Finance Corporation to purchase the stock was another way of giving them power to acquire property that originally the law said should not be taxed?

Mr. WOLCOTT. In the original act we provided that the capital should be exempt from taxation. The preferred stock is a part of the capital and it was the intention of all of us to exempt from taxation the preferred stock of banks which might be held by the Reconstruction Finance Corporation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOLLISTER. I yield the gentleman 5 minutes more.

Mr. WOLCOTT. It is my opinion that section 10 of the statute, wherein it exempts capital from taxation, has reference to the capital stock of the Reconstruction Finance Corporation and not to capital holdings of other institutions.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Michigan. I think the gentleman from Texas [Mr. PATMAN] ought to be answered a little further. He asserts that in 1932, when the Reconstruction Finance Corporation Act was enacted, there was no preferred stock in the national banks. In 1864, when the act he is relying upon was passed, there was no preferred stock in national banks.

Mr. WOLCOTT. Now, I am sure there will be ample opportunity to discuss that matter. These are the reasons why it was concluded that the bill should be passed. After all, every dollar that the Reconstruction Finance Corporation pays in taxes is \$1 less of profit that might be returned to the Federal Treasury when the Reconstruction Finance Corporation is liquidated, and \$1 more which the taxpayers, the people of the United States, will have to pay into the Federal Treasury.

But I am not going along with this bill, and I think that I speak for many others with whom I have talked since the intimation here on the floor that there has been some bargaining with the opponents of this bill, if there has been such bargaining. That bargaining was not in the committee; it was not with me; it was not with any member of the minority that I know of. Let us bring this matter out on the floor and fight it out upon its merits, and let the individual members of the committee speak for themselves, and not undertake to speak for the committee; and I say to the gentleman from Maryland [Mr. GOLDSBOROUGH] and to the rest of the Members of this House that if they adopt the amendment to strike out the word "hereafter" in line 3, on page 2, they will be guilty of gross discrimination; they will be creating a situation where one bank will be getting money for 3½ percent while another bank across the street may be forced to pay 5 or 6 percent. I am not going to vote, and I am not going to ask the membership of this House to vote for any bill, whether it saves the corporation a little money or not, which would pass that on to some bank back home, to the prejudice of its status in its community, and possibly be just the reason by which one bank may keep open and another bank be closed. We cannot tell what is in the future; we do not know what will happen to the banking situation from month to month and year to year. We do not know but that next year we may be called upon to raise the capital stock of the R. F. C. for the purpose of further bailing out these banks, and we would be in the incongruous position of setting up one standard for one set of banks and another standard for another set of banks.

I give warning, if it means anything to anybody besides myself, that if that amendment is adopted, I shall oppose the bill as vigorously as we wanted to favor the bill in its present form. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. GOLDSBOROUGH. I say to the gentleman, as I tried to explain when I had the floor—and it seems to me that I was frank in what I said—I do not think what I said was obscure—that there has been no deal of any kind or char-



acter made by anyone. I said that I understood an amendment would be offered.

Mr. WOLCOTT. I make no reflection whatever upon any statement the gentleman made, but if I remember the gentleman correctly, he did say that he and some of the majority members of the committee would not oppose it.

Mr. GOLDSBOROUGH. No.

Mr. WOLCOTT. My point is this. It is our duty as members of the committee to oppose any amendment which will destroy the effectiveness and integrity of this bill.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. I yield the gentleman 5 minutes more.

Mr. GOLDSBOROUGH. That is the gentleman's privilege, but I tried to explain when I was on my feet that I was not speaking for anybody on the committee other than myself.

Mr. WOLCOTT. I think the gentleman made that very plain, and I make this observation in that connection. If it is logical and right to exempt from taxation the holdings of the Reconstruction Finance Corporation of the capital stock of institutions which now have sold capital stock to it, it is just as logical to exempt those purchased in the future, and if it is not logical to exempt those purchased in the future, it is not logical to exempt those which they now own. We cannot set up two standards by which the righteousness of our actions may be judged.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. HANCOCK of North Carolina. Mr. Chairman, as a member of the committee, I say that our acting chairman has not undertaken to make any trade about any provision of the bill. He was speaking only for himself. I heartily concur with what the gentleman from Michigan has said and I shall oppose strenuously any offer to strike out the word "hereafter", which would result, as he has so ably stated, in gross discrimination in the way these banks are treated in an opportunity for the R. F. C. to rehabilitate them.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. CREAL. If I understood the gentleman, there are 17 States that have passed laws to forbid taxation.

Mr. WOLCOTT. I did not mention the number of States. I said there were several States whose attorneys general had given an opinion that their States could not tax the shares of capital stock owned by the Reconstruction Finance Corporation.

Mr. CREAL. This is the point I wish to make. If this amendment does not pass, those particular States that still insist on taxation will be in a difficult situation in trying to secure loans from the R. F. C. This being purely an optional matter and not on a State allotment plan, those States which furnish exemptions will be taken care of fully before those States that insist on taxing will be taken care of, if at all.

Mr. WOLCOTT. That would be a matter of policy for the board of directors of the R. F. C. They would have to decide that. I do not think the R. F. C. would adopt any different policy so far as the needs of one State are concerned from that adopted to apply to any other State. However there is some meat in the gentleman's suggestion that more consideration might be given to the needs of the banks of those States which exempt the shares from taxation.

Mr. MEEKS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MEEKS. I should like to put this question: as to those States which may have levied a tax on these shares of stock, then the States which imposed the tax would be at a disadvantage in the future, would they not, over States that did not levy the tax?

Mr. WOLCOTT. I said that would depend upon the policy that the Board of Directors of the Reconstruction Finance Corporation adopted.

Mr. MEEKS. But ordinarily, naturally, and logically that would be true?

Mr. WOLCOTT. I would think that the Board of Directors of the Reconstruction Finance Corporation would not hesitate to consider that element. Of course, the rate of interest in those States would have to be high enough to overcome what the Reconstruction Finance Corporation would have to pay in taxes. There would be discrimination in that particular against the banks in those States which levied the tax in favor of those in States which did not levy the tax.

Mr. MEEKS. By failure to exempt these shares from taxation, are there any States that the gentleman knows of that would give State banks an advantage over national banks?

Mr. WOLCOTT. I cannot speak for any other State than Michigan, but I think the laws of that State and probably a majority of the States would not allow the taxing of an institution upon a different basis from that of any other one. In fact, it would be very much opposed to constitutional provisions to tax one institution upon a different basis than it taxed another.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MEEKS. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. MEEKS. Would that not be true in Illinois as well as in Michigan?

Mr. WOLCOTT. I believe that the laws of most of the States compel the assessing officers to assess and levy the tax to be collected on an equal basis. In other words, they cannot discriminate in the levying of taxes. I do not think the constitution of any State allows the assessing officer to assess upon one basis for one property and upon a different basis for another property. The Constitution of the United States provides that no State shall deny to any person the equal protection of the laws, which I interpret as embracing the mandate that taxes shall be levied as equally as possible, and I think that some similar provision has been written into the constitutions of a majority of the States.

Mr. EDMISTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. EDMISTON. Unless this bill as it is presented is now passed, all the banks still operating under conservators would be eliminated from any chance of ever reopening under Reconstruction Finance Corporation debentures. Is that not correct?

Mr. WOLCOTT. I do not know as it would go quite that far, but it surely might postpone the date.

Mr. EDMISTON. It would make it more difficult for them, and if they change this rate of interest certainly they would have an unfair handicap on the banks that have already taken advantage of it.

Mr. WOLCOTT. Yes. It might postpone the date when they were able to meet the requirements.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CARPENTER. Going back to the question in regard to the opinions of the attorneys general or advisers of the various States, some of them have held that the States did not have authority to tax these shares. Was that not a matter for them to determine what was the intention of Congress when they arrived at that opinion?

Mr. WOLCOTT. I think that any attorney general, in giving an opinion to his State treasurer or to the local taxing authorities, would surely take into consideration the intent of Congress.

Mr. CARPENTER. Then if Congress refuses to pass this bill would that not indicate the intent of Congress, so that that would be determinative in rendering an opinion that the States should have a right to tax them, and therefore there would not be any discrimination between the various States?

Mr. WOLCOTT. I think the gentleman is right. The defeat of this bill would be a clear mandate to the States to tax.



At least, it would give the States some affirmative action upon which to base a presumption that they could tax the Reconstruction Finance Corporation. Of course, the Supreme Court has already said that. So they might have preceded us in that respect.

I just want to call your attention to page 39 of the hearings where Mr. Jones has picked out an occasional bank and given us some very worth-while information on what it would mean to the Reconstruction Finance Corporation, if its investment in the capital stock of banks was taxed. He sets forth in some instances the amount that the tax would be as opposed to the amount of interest which the Reconstruction Finance Corporation is receiving on those loans. In one instance it is \$8,400. In another, \$19,840. The loss to the Reconstruction Finance Corporation, including the cost of money at 2½ percent, is as high as \$305,000 in one case, and the amount of the tax quite generally either offsets the amount of interest which they receive, or is greatly in excess of the amount of interest they receive. It just turns upon the question of whether, for the purpose of distributing \$5,512,736.38 over all taxable—

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WOLCOTT. The amount of the tax which it is estimated they will have to pay is the figure I have just mentioned, which is rather infinitesimal when spread against the entire taxable personal property of the United States. It means a great deal to the Reconstruction Finance Corporation in whether it shall show a loss or a profit to the Federal Treasury upon its liquidation. [Applause].

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, will the gentleman from Ohio yield me a little time?

Mr. HOLLISTER. I might later.

Mr. GOLDSBOROUGH. I will yield the gentleman some more time.

Mr. PATMAN. We have 2 hours to a side. I would like to have 30 minutes to go into it fully and explain the side of those opposing the bill. The gentleman on each side having charge of the time are in favor of the bill, so there is a big difference.

Mr. HOLLISTER. Mr. Chairman, I may say to the gentleman from Texas that I will speak to the gentleman from Maryland, and if his time is completely taken so that he cannot yield any more, I will be glad to see what I can do.

Mr. PATMAN. Mr. Chairman, two mistakes have been made on this question we are now discussing. One mistake was made by Congress. The other mistake was made by the Reconstruction Finance Corporation.

In January 1932, when the Reconstruction Finance Corporation law was enacted, it is true a provision was placed in that law, section 10, that the capital, surplus, and other resources of the Corporation would be exempt from taxation; but at that time we could not have had in contemplation what we are now considering, because it was 14 months later that the R. F. C. was authorized by our law that we enacted to purchase this very stock. We could not, therefore, have had it in mind.

Where the Congress made a mistake was in not permitting the R. F. C. to purchase notes and debentures from national banks in exactly the same way they were allowed to purchase notes and debentures from State banks. Had this been done by Congress this question would not be before us today. Because the national banks are under the supervision and control of the Comptroller of the Currency and those here in Washington, it was not necessary to deal with anyone else. We could say, therefore, that we would take preferred stock from the national banks; we knew we could cause the national banks to issue preferred stock; but the R. F. C. did not know whether we could compel the States to pass laws to cause preferred stock to be issued by State banks, and up until that time no State had authorized the issuance of preferred stock

by State banks and the Federal Government did not permit preferred stock for national banks. As a matter of expediency, therefore, we permitted the R. F. C. to purchase notes and debentures from State banks but restricted the R. F. C. to the purchase of preferred stock only of national banks. We did not give consideration to what effect it would have in the local communities.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GOLDSBOROUGH. Let us assume that the Reconstruction Finance Corporation had purchased debentures instead of preferred shares. No taxes would have accrued to the States at all. The situation would have been no different from what the situation would be if this bill is passed.

Mr. PATMAN. Let us see. There is a serious difference of opinion. The gentleman has asked a question that probably reaches the fundamental principle involved here.

Let us take this illustration: I have in my home town a bank that had \$500,000 of capital stock; \$250,000 of this capital stock was converted into preferred stock so the R. F. C. could purchase it.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will permit me to answer the gentleman from Maryland first. If I yield for questions I never will get started and I have got to show that my position is right. I believe I can do it if I am given the time, and I hope the gentleman will let me do it.

Continuing with my illustration, the Reconstruction Finance Corporation purchased \$250,000 of that stock. When the tax assessor comes around he is told by the bank: "No; we are not paying any more tax now, the R. F. C. owns half our stock. Heretofore we have always paid on \$250,000 of our stock and \$250,000 of our real estate which offsets that much stock. The R. F. C. stock is tax-exempt, therefore, we are not paying any more tax to either the county, to the State, to the road district, or to the school district."

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Let me finish. I want to answer the gentleman's question. I will yield if the gentleman insists, for he has charge of the time, and I want more time.

Mr. GOLDSBOROUGH. Will the gentleman explain what Congress has to do with the fact that a tax assessor in Texas does not know how to assess property?

Mr. PATMAN. We have not got into that, I may say to the gentleman from Maryland. I hope the gentleman will give me some more time.

Mr. FORD of California. Mr. Chairman, will the gentleman yield for a question?

Mr. PATMAN. Let me finish answering the chairman's question. He has the time, and I have got to have more time.

The CHAIRMAN. The gentleman declines to yield.

Mr. PATMAN. The situation is this: When we passed that law we created discrimination. The national bank had paid taxes on 50 percent of its capital stock theretofore, in the case of the national bank capitalized at \$500,000 it paid on \$250,000 of stock and \$250,000 of real estate. Now they pay only on their real estate and not one penny on their stock. This is an actual case, and it is duplicated all over this Nation in just exactly this way.

Mr. GOLDSBOROUGH. I want to say to the gentleman that he is mistaken in the way he figures that proposition. It has been explained to him a half dozen times. Mr. Jesse Jones explained it to him, and we thought the gentleman understood.

Mr. PATMAN. The gentleman can be very patient if he wants to. You see, I cannot reach but one thing at a time, and I am trying to develop that point. But let me do it in my own way.

Here are the discriminations we created. Across the street, we will say, there is a State bank with a capital of \$500,000, just like the national bank about which I have been talking.



The R. F. C. purchases \$250,000 in debentures from that State bank. Certainly, those debentures are not taxable and should not be taxable. They are held by the R. F. C. But when the tax assessor goes in there he gets exactly the same amount that he always obtained from that bank.

Mr. GOLDSBOROUGH. No; because the tax authorities of Texas had to reduce the capital stock in the case of debentures just as they did when the preferred stock was issued.

Mr. PATMAN. The gentleman is just mistaken. That is one discrimination that is created.

Mr. SPENCE. Will the gentleman tell us how the assessments are made in Texas?

Mr. PATMAN. Now, do not drag a herring across the trail. Mr. Chairman, I would like to yield, but I cannot yield further. I have the right side of this question, and I can show the Members I have the right side if I am permitted to have the time to do it. Of course, if I am not going to have the time, and if my attention is to be diverted, I cannot do it.

Mr. Chairman, I have shown one discrimination. Thirty-one States of the Union base their taxes upon capital stock. Seventeen States use a different method of taxation. It will upset the tax systems in those 31 States. Texas happens to be one of them. There are 30 other States in the Union that will be affected in exactly the same way as Texas. There is the first discrimination between the National bank and the State bank across the street.

The State bank continues to pay taxes on the same amount of capital stock as it has always paid. The National bank only pays half, because they claim instead of selling the debentures to the R. F. C. they sold half of their stock to the R. F. C.; therefore they claim an exemption and they thought they would get by with it, but the Supreme Court of the United States in a unanimous decision held that this stock should be taxed. There can be no doubt about the decision, because it is just as clear as a bell. Just read the decision. That is the first discrimination.

Now, let us take a National bank across the street from this one.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PATMAN. Mr. Chairman, there is a National bank across the street. That National bank did not sell any stock to the R. F. C. When the assessor goes in there to assess, they render him the same taxes as they have always rendered, giving one a 50-percent tax reduction and charging the other just as they have heretofore. If that is not a gross discrimination, I would like to know what you would call it. Of course, the Congress helped to cause this condition.

There is preferred stock issued by a bank to the amount of \$200,000. \$100,000 of it is sold to an individual in the community and \$100,000 sold to the R. F. C. We are asked to make a law that will cause the individual to pay taxes on his half but exempt the other half; in other words, let the bank out of it.

Mr. GOLDSBOROUGH. Why, of course not.

Mr. PATMAN. Well, the gentleman does not know anything about his own bill.

Mr. GOLDSBOROUGH. The Reconstruction Finance Corporation can pass this tax on to the banks and the gentleman knows it and the gentleman has admitted it.

Mr. PATMAN. The gentleman has not admitted anything that the gentleman said. I did not say I was not going to oppose this bill. Here is where there is a difference. Take the bank there at Texarkana. When half of the preferred stock is purchased, that makes the common stock a little more valuable, 50 percent under ordinary circumstances. In that event the city, county, and State would lose 25 percent of the taxable value instead of 50 percent. That is the only difference between us according to the hearings before the committee.

Mr. GOLDSBOROUGH. Does the gentleman know that this stock is taxed in accordance with its actual value?

Mr. PATMAN. That is true.

Mr. GOLDSBOROUGH. If you reduce the number of shares from 200,000 to 100,000 you have not reduced the value of the shares?

Mr. PATMAN. There would not be any necessity for this bill if there was not the necessity to exempt something. The reason for the bill is to exempt property that local communities would ordinarily tax. Why does not the gentleman admit it? Everybody knows it, because it is in the law. The Supreme Court held they could tax it.

Mr. Chairman, here is where another mistake was made and it was made by the R. F. C. Congress created these discriminations. The gentleman says that on preferred stock where the individuals hold the stock the bank pays the taxes, although it is preferred stock, but we are asked to vote for a bill that provides that if the R. F. C. holds half of the same stock nobody will pay taxes on it. Mr. Jones, Chairman of the Reconstruction Finance Corporation, told me that there is \$100,000,000 more to be disbursed on preferred stock. One disbursement has already been made and the R. F. C. required the bank to enter into a contract that it would take care of all local, county, and State taxes, as they have always done, before the R. F. C. would let them have the money. If we pass the bill in its present form, we are giving those banks that received the \$100,000,000 at least \$2,000,000 or \$3,000,000 a year that they are willing to pay in order to get this money.

Mr. McCORMACK and Mr. CELLER rose.

The CHAIRMAN. Does the gentleman from Texas yield; and if so, to whom?

Mr. PATMAN. No; I do not yield, Mr. Chairman. I have got to finish my statement.

The R. F. C. made a mistake, and in order to get this thing corrected I am willing to yield, with the gentleman from Maryland, who says he is willing to sacrifice something. I am willing to sacrifice something, too. The R. F. C. has made a contract it should not have made. It reduced its interest rate on preferred stock to 3½ percent, when it could have charged 6 percent under the law, and the R. F. C. put in that contract "and no more until 1940." In 1940 it will get 4 percent.

Now, I will admit that the R. F. C. was acting in the best of faith. They thought it was exempt, but they made a contract that they should not have made. They cannot take that money and pay the taxes with it.

Congress made a mistake, the R. F. C. made a mistake, and I am willing to condone past mistakes made by both the Congress and the R. F. C., but write the provision in here that hereafter we are not going in the direction of taking local property that is taxable off of the tax rolls by a congressional act. [Applause.]

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. No; let me finish my statement, please.

Mr. CELLER. I think the gentleman ought to yield.

Mr. PATMAN. I only have a few minutes. I am sorry, but I cannot yield to the gentleman.

Now, what will come up next if we make this exemption? When the R. F. C. takes over business corporations, when it takes over railroads, like the gentleman from Utah suggested, then the same argument will be made that we should exempt them from taxation.

I am willing to condone past mistakes. I am willing to say that we should just let them go; but, in looking to the future, let us not set a bad precedent. Let us not have the camel get his nose under the tent, which would cause the camel, hump and all, to get under, and everything that is owned by the R. F. C. to be exempt from taxation.

I am looking at this as a matter of principle and as a matter of precedent, and unless you create this precedent here today you will be acting by your vote to deny your local assessors and collectors from taxing property that they have always taxed. This is what you will be doing.

Yes; there will be a slight discrimination there between the \$100,000,000 that is to be disbursed and the \$229,000,000 that has already been disbursed, but is it not better to have a slight discrimination and a bad precedent removed and a sound principle established than to go ahead and have all these discriminations I have told you about in the present law?



Which are you going to choose? Are you going to say by your vote, sitting up here in Washington, that you are going to still the hand of the assessor who attempts to put this property upon the tax rolls of his community; that you are going to enjoin the local sheriff and the tax collector from collecting these taxes that he has always collected and would collect under present law, were it not for this bill?

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a brief question.

Mr. FORD of California. Will the gentleman answer this question? It seems to me the gentleman is putting himself and his State in this position. An old chap owned a small ranch through which a stream ran, and he had signs all over it, "No trespassing"; and one day he fell in, and a stranger went in and rescued him, and then he had the stranger arrested for trespassing.

Mr. PATMAN. I know the gentleman's philosophy—keep on helping the bankers and give them all kinds of bonuses, like you want to give them here. This bill is a bankers' bonus bill.

Mr. FORD of California. That is an unfair statement.

Mr. PATMAN. The gentleman would pin medals on the bankers because he has permitted them to save their banks and to save themselves. Now he wants to pin a medal on them and give them tax exemption. I am not in favor of that.

Now, in regard to this \$400,000,000 already in tax-exempt property, the gentleman used the phrase that he would rather get \$400,000,000 tax exempt. Why would he use the words "tax exempt" if he is not exempting it? He is exempting it, and he used the correct phrase in stating "getting it tax exempt", but he is mistaken as to the amount. Two hundred and twenty-nine million dollars of that amount is in the 31 States that have elected the method of arriving at property value according to capital stock.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. PATMAN. Now, in 17 States they have selected a new method. Therefore, my friends, if you pass this law like it is you are telling the 31 States, "We are going to give the banks 50-percent reduction"; you cannot get away from that.

Next session of Congress, the Members of the 17 States, if they pursue it in a logical way, will come in and say, "Why cannot our banks that have selected a different method of taxation be given a 50-percent reduction as applies to the banks of the other 31 States?"

Instead of removing the discrimination, you are creating more discriminations and one of the worst precedents you could possibly set up. I hope if the amendment is offered, which I expect to offer, that the Reconstruction Finance Corporation can purchase debentures instead of preferred stock; I hope that amendment will be accepted. I know it is subject to a point of order; I admit that; but I hope no one will make the point of order. If it is not made it will apply to all banks on a parity, and that is the way the law should have been written.

But if the point of order is made, I will offer an amendment to strike out the word "hereafter." In other words, you will condone the transaction because mistakes were made by Congress and the Reconstruction Finance Corporation, but you will say in the future, "We are not going to adopt that principle. It is a false principle, and we are not going in that direction."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. I want to ask the gentleman why should not his amendment be germane to the bill, and the further question is what attitude does Mr. Jones take with regard to his amendment?

Mr. PATMAN. Mr. Jones went before the Banking and Currency Committee and asked them to put it in.

Mr. Sisson. Oh, I absolutely deny that. Mr. Jones never made the statement or requested the committee either in language or substance to that effect.

Mr. PATMAN. I think the gentleman is mistaken; I am talking about the preferred-stock amendment. He got up a mimeograph statement and asked the committee to adopt it. Is not that right? If it is wrong, say so.

Mr. Sisson. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. Sisson. Mr. Jones suggested to the committee an amendment about the preferred stock which he thought would permit the Reconstruction Finance Corporation to hold. I understood the gentleman referred to the amendment striking out the word "hereafter."

Mr. PATMAN. The gentleman is confused. The point is that Mr. Jones and the R. F. C. realize that a mistake was made, and they want Congress to correct it, so that they can place all these banks on an equality, and the committee refused to do it, which means that you want this \$100,000,000 that will come out soon from the R. F. C. at 3½ percent, to purchase preferred stock—you want those local communities to be denied taxation on \$100,000,000. Mr. Jones wants that done for this reason, that in all cases where they have made disbursements since the Supreme Court rendered its decision, they have said to that bank, "You have to pay your local taxes just as you have always paid, but we are going to let you have the money at 3½ percent." That is what we want to do, and that is what this amendment will do.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GOLDSBOROUGH. I yield 2 minutes more to the gentleman.

Mr. PATMAN. If that amendment is held out of order, if the point of order is made against it, then I expect to propose an amendment to strike out the words "or hereafter", which means condoning past transactions, but denying that bad precedent to be used for the future. So why should not this House accept it if it is fair and the R. F. C. wants it and says it is fair? Why should we not accept this amendment and stop this bad precedent and remove some discriminations instead of creating additional discriminations? We want to go in the direction of preventing the issuance of more tax-exempt interest-bearing bonds, and we want to go in the direction of stopping Government bureaus from taking taxable property away from the local tax assessors and collectors. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. Cross].

Mr. CROSS of Texas. Mr. Chairman, this is a matter about which we should get a clear view. No one should try to mislead you. Everyone should talk about a matter of this nature in a logical, truthful way; and I say now, because I do not want to waste my time in wrangling, that I am not going to yield. Take what I say as you please. I want to get the facts before you as I see them, because as a member of the committee I am thoroughly familiar with all the testimony and I think every phase of this question and with the position of my good friend from Texas [Mr. Patman]. I say with respect to him that I think the reason he is here contending is that he went off at an angle in a wrong direction the other day. He had the idea that the stock of banks in Texas is taxed at par; and if that be true, then there would be some logic in his position. To show you that my friend has that idea I am going to repeat some of his testimony before the committee. I took it from this hearing, and I had it put on this piece of paper, so that it might be gotten to rapidly. I quote:

Mr. PATMAN. In Texas the assessor finds out the amount of capital stock. There this property is rendered at 75 cents on the dollar. So the capital stock is rendered that way.

Yes. It is the value of the stock that they assess for taxation at 100 cents less whatever property is rendered.

Mr. BROWN of Michigan. It had been assessed at the par value?

Mr. PATMAN. They assess it just like other property. They take the par value.

Mr. BROWN of Michigan. Isn't there a certain formula that they use?

Mr. PATMAN. No. They just take the par value. I have never known any of them taking less than the par value. \* \* \* If they assess real estate at 75 cents on the dollar of its value they assess the bank stock at 75 cents on the dollar.



Then I asked this question:

Suppose that I have a bank in which the stock is worth 10 cents on the dollar. Do you mean to say that the assessor will come to me and make me pay on 100 percent?

Mr. PATMAN. No. I don't think so. I doubt that. It would not be justice if they did; but I just don't know. I am not informed. I am not going to say anything about the value of stock in Texas. I don't know.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. No; here is the testimony.

Mr. PATMAN. Well, the gentleman does not want to do me an injustice?

Mr. CROSS of Texas. Oh, no. Go ahead.

Mr. PATMAN. Did not I show the gentleman a telegram from the comptroller of Texas stating that that was the uniform rule?

Mr. CROSS of Texas. No; I did not see that. The gentleman did not show it to me. The gentleman may have had it there, but he did not show it to me. Then we got the law of Texas and read it to him, and he was there when it was read, and here is the law:

Every shareholder of said bank shall, in the city or town where said bank is located, render at their actual value to the tax assessor all shares owned by him in the bank. Each share in such class shall be taxed only for the difference between its actual cash value and the proportionate amount per share at which its real estate is assessed.

Now, he talks much about the bank in Texarkana. Let me tell you about that bank. It had a capital stock of \$500,000. What happened was, its capital became impaired to the extent of \$391,000. That is the testimony of Mr. Jones, and I am sure Mr. PATMAN will admit it. It was impaired \$391,000, and the State banking authorities made them reduce that stock down to \$250,000. In other words, the stock was worth less than 50 cents on the dollar.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. Now, wait a minute. I am talking facts.

Mr. PATMAN. But it is not a fact that the stock was reduced, and the record does not show it. The stock remains \$500,000 as before. The gentleman should read all the testimony and not just parts.

Mr. CROSS of Texas. Oh, yes; it was.

The CHAIRMAN. The gentleman declines to yield.

Mr. CROSS of Texas. It was impaired \$391,000. Other members of the committee will remember it. Now, they reduced that stock to \$250,000. The banking authorities made them do it. It does not matter what the assessor wanted. His duty was to assess that stock, whether it was on the books at \$500,000 or \$700,000, or what not, at its actual cash value. That is all the tax he ought to get out of that bank. If that stock was impaired to that extent, and the stock was worth only \$250,000, all the tax collector could do was to get taxes on \$250,000. When they reduced it to \$250,000 the Reconstruction Finance Corporation let them have \$250,000, and it made that stock worth 100 cents on the dollar, so that the amount of taxes was exactly the same for school, State, and county as it always was. In other words, the bank simply shifted its debt from there to the Reconstruction Finance Corporation.

Now, let me talk to you a little about the situation in connection with this thing. The Reconstruction Finance Corporation Act was passed in 1932 exempting capital stock, reserves, and surplus. The banks at that time were issuing preferred stock because they had been authorized to do it, but when that was done the law provided that State banks, many of which could not issue preferred stock, could, in place of that, issue debentures and capital notes. So the three performed exactly the same function. Where a State bank could not issue preferred stock, it could, of course, issue debentures or capital notes. The national banks were permitted to issue preferred stock. They were all treated just alike by the Reconstruction Finance Corporation. There is not a bit of difference between those three things, except in the preferred stock there is no specific date of payment. They are supposed to pay it back in 20 years, paying 5 percent if they make that much, each year; but there is no specific date of payment for the preferred stock. Of course, in the debentures

there is a specific date. To show how the Reconstruction Finance Corporation has always treated this stock merely as a debt, we amended the Revenue Act in August 1935, and provided that banks, in making up their income-tax returns, should have the right first to take off the interest and dividends that they paid to the Reconstruction Finance Corporation on this stock, to ascertain their net profits. In other words, just treat it as a debt. It is nothing more than a debt.

The Reconstruction Finance Corporation is the American people. The Treasury is the American people. It is the people's money. After it goes into the different communities and plays the part of the good Samaritan, then why come in and say, "Now, we are going to take advantage of you and skin you"? That is what it is. This bill, if enacted, does what unquestionably was intended to be done, and just what so many State courts have said was the law—that you could not tax them. That is just what so many attorneys general of States have said. It is true one man over in Maryland took the opposite view and agreed with Mr. WRIGHT PATMAN, and Mr. WRIGHT PATMAN and that fellow went up to the Supreme Court, and the Supreme Court agreed with them. That is what makes me know they are wrong. [Laughter.]

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Well, yes; for a short question.

Mr. PATMAN. I differ with the gentleman on the Texarkana bank. The gentleman is mistaken about the stock being reduced. It was not reduced. That stock remained the same.

Mr. CROSS of Texas. I am taking Mr. Jones' testimony. He so testified.

Mr. PATMAN. But the gentleman is mistaken about that. The record of the bank is the best evidence.

Mr. CROSS of Texas. Well, I do not know about that. Jesse Jones loaned the money; and, believe me, when he lets out a dollar he knows what he is doing.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Just a moment. Let me finish first. I want to read from the hearings:

Mr. WILLIAMS. Well, now, Mr. Jones, let us get back to this question of preferred and common stock. For instance, the case that has been used here so much—of the Texarkana bank—it is said that the original stock in it was \$500,000?

Mr. JONES. Yes; the common stock.

Mr. WILLIAMS. What is that common stock now?

Mr. JONES. \$250,000.

Mr. PATMAN. That is correct. They converted \$250,000.

Mr. CROSS of Texas (reading):

Mr. WILLIAMS. In what way was it adjusted; was the bank reorganized?

Mr. JONES. No; they amended their charter and reduced the common capital to \$250,000 and authorized preferred stock of \$250,000.

Mr. WILLIAMS. And, of course, that was necessary by reason of the fact that there had been some \$300,000 charged out, and that impaired their capital stock.

Mr. JONES. Yes; \$391,000.

So you see it was not their cash. They had paper there, they had figures there, but they did not have property; and under the tax laws of Texas the basis of assessment is the actual value of the property back of the figures, and not upon figures and paper.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. I yield.

Mr. PATMAN. Is it not a fact that the Texarkana Bank was in a similar position with many other banks? Its assets were very low at that time, but since that time they have come back. They should, therefore, pay taxes like everybody else.

Mr. CROSS of Texas. All right; I will take the gentleman at his own statement. Since then values have come back. Who put the values back? Who has made it so that the stock now is worth 2 for 1 what it was when they put it up



so that now you can tax it and get your revenues? It was the Reconstruction Finance Corporation. Does the gentleman want to wreck it and put it where the stock will be worthless again? Is this the gentleman's idea? Why, if there ever was an organization that has earned a crown, and a starry one at that, in this country it is the Reconstruction Finance Corporation; and I want to say for the Chairman of that Board—and every member of this committee will vouch for what I say—there never was a straighter shooter than Jesse Jones. The other day one of the boys said: "That money was loaned in Chicago under another administration." "Yes," Mr. Jones said, "it was, but I want to take my part of the responsibility. I am just as responsible for making that loan as anybody." Then somebody made the remark that the Chairman at the time that loan was made was an appointee of Mr. Hoover. "Yes," said Mr. Jones, "he was appointed by Mr. Hoover, but I was appointed by Mr. Hoover, too, and I want to stand here flat-footed and take all my responsibility."

I like a clean, clear-cut man. I like a man who will tell the truth under all circumstances whether it pleases him or not.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Yes.

Mr. PATMAN. Since Mr. Jones is such a fair man, and I agree with what the gentleman said, and he knows this business from beginning to end and knows what this amendment is and has agreed to it, why does the gentleman not agree to it?

Mr. CROSS of Texas. I do not know that. I do not know anything about the gentleman's amendment. I know Jesse Jones had an amendment there that he thought maybe would satisfy, but I do not know whether it is the one the gentleman is talking about. He said there was nothing to it; it did not mean anything one way or the other, but probably would enable them to get out of the business quicker, because it would not increase the interest rates they would charge and it would be satisfactory. I do not know what the gentleman's amendment is. I am not really familiar with Mr. Jones' amendment, but the effect of it, it seems to me, was that the national bank could put up debentures and capital notes in place of preferred stock; and, of course, you gentlemen understand the difference. A debenture or a capital note is not returned for taxes by the bank. The bank, of course, returns their taxes on stock deductions from the gross earnings before it pays the dividends; but a debenture or promissory note—that is all it is—a capital note is held by individuals and, of course, they hide them out, do not render them for taxes. The bank does not have anything to do with it and they can escape taxation. Oh, the gentleman said awhile ago, just think about the man down there in Texarkana who buys \$100,000 of preferred stock.

Are you going to exempt him? You are going to exempt the Reconstruction Finance Corporation. The man down there when he puts up his \$100,000 has to be paid a rate of interest that will make the proposition attractive to him as a money-making matter.

Mr. PATMAN. Will the gentleman yield?

Mr. CROSS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that is exactly what I want done? In other words, the bank pays the tax just like taxes are paid by local individuals living there in that town. The bank pays the tax. The individual pays the tax. My amendment would provide just that.

Mr. CROSS of Texas. The gentleman's idea is to let the Reconstruction Finance Corporation charge a rate of interest that would justify it in taking on a dangerous loan and charging 10 or 15 percent. You would bust the banks if you did that. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity had come to no conclusion thereon.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 9 to the bill (H. R. 9863) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2603. An act to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 31. Concurrent resolution to authorize the printing and binding of additional copies of House Document 755, Fifty-eighth Congress, second session, entitled, "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson.

#### REPORT OF THE UNITED STATES CONFERENCE OF MAYORS

Mr. WEST. Mr. Speaker, I ask unanimous consent to insert in the RECORD a portion of the report made by the conference of mayors to the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, was not that matter placed in the RECORD by the gentleman from Alabama?

Mr. BANKHEAD. No. This is a different matter entirely.

Mr. RICH. It is the same thing that the gentleman from Alabama placed in the RECORD?

Mr. WEST. No.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman answer the question whether it is the same thing that has already been placed in the RECORD?

Mr. WEST. No; it is not.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WEST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A DETAILED REPORT PREPARED BY THE UNITED STATES CONFERENCE OF MAYORS AND SUBMITTED TO THE PRESIDENT OF THE UNITED STATES BY HON. F. H. LA GUARDIA, MAYOR OF NEW YORK CITY, PRESIDENT, UNITED STATES CONFERENCE OF MAYORS, ON MARCH 12, 1936

#### Section II—Part I

##### INTRODUCTION

In answer to the series of questions which have already been stated regarding the Federal work-relief program, the conference of mayors' survey covers over 100 metropolitan areas of the United States. Approximately 25,000,000 people live in the areas reported upon in this study. The results of this survey of the leading cities of the country answer three questions before the American people:

1. Do the unemployed want work or the dole?
2. Are we doing useful work under the W. P. A. program?
3. Is there useful work yet to be done under a continued W. P. A. program?

On these three issues the chief executives of over 100 of the major urban areas of the country give their reports. These reports contain for the first time factual data from those who are on the firing line in this whole relief business.



## 1. DO PEOPLE WANT WORK OR THE DOLE?

What group is more competent to interpret the attitudes of the people on relief than the city officials of the country? The unemployed, as the mayors of the country well know, are on the doorstep of every city hall in the land. Work versus the dole is but an academic question if the destitute unemployed themselves are to be provided for in what we consider to be the American way.

Indicative of the fact that we believe work relief is the American way of meeting the relief problem, we cite the following statements from the chief executives of the larger cities of the country. These are but typical of the reports filed by practically every municipality in the country:

## CHICAGO

It is well you have some facts and viewpoints regarding Chicago. The advocate of direct relief fails to appreciate the fundamental training, habits, and desires of our citizens. In my opinion:

They do not want charity.

They do want employment.

They do want to earn the money they obtain.

They do want to spend their money as they see fit.

These form the basic foundation for W. P. A. From them it is impossible to form a similar solid structure for direct relief or the dole. Of course, I exclude those of our people in need who are unemployable. They must have proper and adequate care by some form of direct relief.

It is of inestimable value to the Nation that the unfortunates of our population retain their self-respect. That is not possible under the direct relief or dole system. There is no question in my mind whatsoever that the work relief is much to be preferred to the dole.

Mayor EDWARD J. KELLY.

## DETROIT

The advantages of a system of work relief for employables over the dole are so obvious and have been recounted so many times that I shall not repeat them. We all know the great social benefits that a community derives by keeping the minds and bodies of the unemployed employed at some useful endeavor until they can once again return to work in private industry without degeneration of their moral and physical fiber.

Mayor FRANK COUZENS.

## KNOXVILLE

It has been our experience that our people are better satisfied when they have something to do, especially when they are employed in their respective trades. It has been aptly said, "An idle brain is the devil's workshop." I know that we have gotten a better unit of work done under the W. P. A. than by its predecessors. The workers are better satisfied, they are receiving a standard wage for their work, and they are not bothered with budget allotments or deficiency.

GEORGE R. DEMPSTER,  
City Manager.

## MILWAUKEE

Before presenting you with the data and facts of what has been done so far by W. P. A. in this city, and the many useful projects that should be completed or that could be started, let me assure you that there is no question in my mind that as far as the city of Milwaukee is concerned the work-relief method of taking care of our needy is far superior to any system of direct relief or dole. Long before the C. W. A. was inaugurated our city resorted to work-relief programs in a smaller way, and with all the trials and tribulations that we have had with the different work programs, I am still of the opinion that the benefits received by the public, through added improvements, have been worth more than whatever additional cost they have been over that of taking care of the needy on direct relief or dole.

R. E. STOELTING,  
Commissioner of Public Works.

## BUFFALO

When W. P. A. began to function last November, Buffalo had a relief case load of approximately 34,000 families. This case load was shown by analysis to be approximately 90 percent employable. That is to say, in all except 10 percent of the families there was one wage earner able to work. In December and January about 24,000 were transferred from the relief rolls to W. P. A. projects pay rolls, and at the present time this number has diminished to about 20,000 workers, representing about 18,000 families.

Employment has been proved to be the healthier way to maintain these destitute people.

GEORGE J. ZIMMERMAN, Mayor.

## HOUSTON

In considering the question of relieving the distressing unemployed situation in this country through a works program or a dole, in my opinion, there is no question but what the works program is far superior to the dole system.

Mayor OSCAR HOLCOMBE.

## NEW ORLEANS

May I again reemphasize what has been stated so often, namely, that our people will never consent to the substitution of a system of direct relief for a system of work. The policy of the city of New Orleans, even before the Federal Government entered into the relief picture, was based upon a policy of providing work for the destitute people of our community. The only direct relief that was permissible under the ordinance creating the fund was for those who were physically incapacitated from doing the work. We believe that it is needless for us to argue any longer as to the merits of work relief versus the dole.

T. S. WALMSLEY, Mayor.

## SPRINGFIELD, MASS.

I wish most emphatically to record Springfield, Mass., among those cities favoring work relief rather than direct relief or dole.

PHILIP V. ERARD, Acting Mayor.

## TRENTON

It is my judgment, from the viewpoint of municipal management, that the work relief is by far the more preferable, assuming, of course, that the conditions which may be imposed by the Federal Government with respect to financing any new program will be no less advantageous to the cities than those imposed in the present program. That there are advantages and disadvantages is self-evident, but with both revealed to the light of public good and information and weighed in the balance, the odds are so substantially in favor of their merit—as far as Trenton is concerned—that to hold them in dispute as asinine.

RAYMOND F. RICHTER,  
Executive Secretary to City Manager Morton.

## NEW BRITAIN

It is impossible for New Britain or any other community in Connecticut to finance a work program, and it is very evident that our people do not wish to go on the dole. The Government must continue to aid us or I fear for the effect on the client who would be deprived of an opportunity to earn sufficient to care for his family.

Mayor DAVID L. DUNN.

## READING

The administrative officials militantly endorse the principle of work as against the direct relief or dole in handling the relief requirements of our cities.

Mayor J. HENRY STUMP.

## HUNTINGTON

Great as have been the material gains of W. P. A. projects of this community, I feel that they have been superseded by the moral gain of providing useful employment to the needy unemployed of this community.

Mayor M. V. CHAPMAN.

## NEW BEDFORD

It has been very gratifying to me, as mayor of the city of New Bedford, to find that our people do not want direct relief. They have shown during the past 2 years that they will not accept direct relief when they can obtain work of any nature. We have had any number of cases who were obtaining soldier's relief in the city of New Bedford in 1934, who obtained \$10 to \$14 in money and merchandise as direct relief, who gladly gave that up to accept weekly wages of \$12 per week on the E. R. A. We have never been able at any time in New Bedford to pick up all of our workable relief cases on the Federal program.

Even today we are carrying people on our welfare rolls who are able to work and who are constantly pleading to be put on to the W. P. A. work relief, that they might live just a little better and earn their food and shelter. I wish to go on record as being strongly opposed to any program which will take away the self-respect of our people in forcing them to accept charity because employment is not available.

The people throughout our country who must temporarily be recipients of Government relief must be given the privilege of earning their living. We do not want to force the stigma of charity on our people when it is unnecessary.

Mayor CHARLES S. ASHLEY.

## CAMDEN

As a member of the city commission, I would urge the Conference of Mayors to use all of its efforts to see that the W. P. A. program is carried on, because many of the unemployed, from my past experience, desire work and not dole or relief.

GEORGE E. BRUNNER,  
Director of the Department of Parks and Public Property.

## DECATUR

The matter of continuation of W. P. A. is, in my opinion, very serious, and if at all possible, additional money should be appropriated by the Federal Government for this purpose. It is a wonderful sight to see, on riding around the city, various gangs of men, numbering from 15 to 200, busily engaged in various occupations. It is of interest to watch and see that the majority of the men employed on W. P. A. are interested in their work and try to give value received.

Mayor HARRY E. BARBER.

## ATLANTIC CITY

I am very much opposed to the dole method, and for that reason I have been very active in assisting our local W. P. A. office in every way possible to carry on the good work which they are now doing.

WILLIAM F. CASEY,  
Commissioner of Public Works.

## FLINT

We consider it highly desirable for W. P. A. to continue and believe that the continuation of same is much preferable to putting these men back on direct relief.

J. M. BARRINGER, City Manager.

## OKLAHOMA CITY

We are emphatically opposed to the dole system, as our experience with the work program has shown that men worthy of support are anxious to work and do not want to be charity clients.

O. M. MOSIER, City Manager.



## DURHAM

We are in complete harmony with a program of work relief.  
H. A. YANCEY, *City Manager*.

## NEW ORLEANS REGIONAL MEETING OF SOUTHERN AND SOUTHWESTERN CITIES

The consensus of opinion of this southern regional meeting of mayors is that work relief, as exemplified through the present Federal W. P. A. program, is the American way and method of meeting the needs of the destitute employable unemployed. Through the present program of providing work instead of the dole, not only are we maintaining the morale of those forced to depend on governmental assistance, but we are building valuable and worthwhile public projects in every city of the southern and southwestern area.

Cities represented: Houston, Dallas, San Antonio, Fort Worth, Austin, Amarillo, New Orleans, Oklahoma City, Fort Smith, Montgomery, Birmingham, Chattanooga, Knoxville, and Savannah.

## PERMISSION TO ADDRESS THE HOUSE

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of matters on the Speaker's table and following the special orders heretofore granted, I may be permitted to address the House for 15 minutes, tomorrow being the anniversary of the birth of William Jennings Bryan, the great Commoner.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, what special orders have been arranged for tomorrow?

The SPEAKER. The gentleman from Nebraska [Mr. BINDERUP] has 10 minutes, and the gentleman from Massachusetts [Mr. MARTIN] 5 minutes.

Is there objection to the request of the gentleman from Nebraska?

Mr. BANKHEAD. I shall not object to this request, of course, but we are behind our schedule. We have another matter that we expected to bring up tomorrow. I shall not object to this request.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOBBS (at the request of Mr. HILL of Alabama), indefinitely, on account of important official business.

To Mr. LEWIS of Maryland, for 2 days, on account of important business.

## WHY WE SHOULD STOP TAX EXEMPTION OF BANK STOCK

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include certain excerpts and tables with reference to the R. F. C.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, what are the tables?

Mr. McFARLANE. Tables of the R. F. C. that will be discussed in connection with the pending bill tomorrow. I want to put them in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I desire to analyze S. 3978, now pending before us which provides—

Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period.

This is admittedly, as the above clear expressions indicate, a bill to exempt from taxation the preferred stock of na-

tional banks and the preferred stock, capital notes, and debentures of State banks and trust companies heretofore or hereafter sold to the Reconstruction Finance Corporation from the payment of any taxation by the Federal Government or by any State, county, municipality, or local taxing authorities.

## HISTORY OF LEGISLATION

Let me briefly review the history back of why this legislation is now before us. In 1864 the Congress enacted section 5219 of the Revised Statutes, which provides that any State may tax national-bank stock within their limitation in any one of the three ways, as follows:

First. To tax said shares of stock.

Second. To include dividends derived therefrom in the taxable income of a holder or owner thereof; and

Third. To tax the income of such association.

In 1932 the Reconstruction Finance Corporation Act was passed, and section 10 exempts "the Corporation, including its franchise, its capital, reserves, and surplus, and its income" from all taxation, both State and Federal. But the act creating the Reconstruction Finance Corporation did not give it the right to subscribe for shares of preferred stock or for any others, nor was there any power on the part of national banks to issue preferred stock up until the emergency banking act was introduced and finally passed by the Congress on the first day of the called session in March 1933.

So we find that law existing since 1864 to date allowing such bank stock to be taxed by the local taxing authorities, that the Reconstruction Corporation by the act creating it in 1932 had no power to buy preferred stock or other such issues, and national banks had no power to issue such preferred stock until the Emergency Banking Act was passed and became a law March 24, 1933, which act for the first time gave national banks the right to issue preferred stock and the Reconstruction Finance Corporation the power to purchase same. While it may be argued that the Reconstruction Finance Corporation is a nonprofit governmental agency and as such should not be taxed, so is a national bank a governmental agency, and the laws above mentioned from 1864 clearly show as said by the Supreme Court in the case of the Baltimore National Bank against State Tax Commission of Maryland in their opinion rendered February 3, 1936:

For the tax now in controversy, whatever its indirect effect, is not laid directly upon the capital, reserves, or surplus of the corporation claiming the immunity or accorded the exemption. It is laid upon the shares in another corporation, a member of the banking system, which must pay it in the first place.

This decision closes with the statement:

All shares in national banks, no matter by whom owned, shall be subject to taxation.

Now, 31 States in the Union have elected under section 5219, to tax national banks upon their shares of stock. These States are as follows: Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, and West Virginia.

Seventeen States and the District of Columbia have elected to tax national banks according to earnings on their shares of stock, or according to the income of the corporation, but do not tax directly the shares of stock. According to the Federal law, if a State elects to tax according to one of the three methods, it cannot levy taxes by any of the other two methods. These 17 States are as follows: Louisiana, Maine, Mississippi, New Hampshire, New Jersey, Utah, Vermont, Washington, Wisconsin, Alabama, California, Connecticut, Massachusetts, New York, Oklahoma, Oregon, and Wyoming.

## THIS SAME BILL KILLED FEBRUARY 25

The Senate on February 24 passed this measure by a vote of 38 to 28, after very little debate and very few of the questions raised in the House were raised in the Senate debate. On February 25 the House considered the same bill, H. R.



11047, introduced by Congressman T. ALAN GOLDSBOROUGH, and after 3½ hours of debate, only 48 minutes of which were given to those in opposition to the bill, the measure was defeated on a record vote of 165 to 173. The House Committee on Banking and Currency, it was learned, expected to report out the Senate bill, despite the defeat of the House bill on the same subject, and Congressman WRIGHT PATMAN asked to be heard on same, and after these hearings the Banking Committee unanimously again reported out the same bill, adding section 2, a similar amendment which was defeated in the other body.

#### SETS BAD PRECEDENT

Now, Congressman PATMAN has thoroughly analyzed this bill, both in his speech today and in his remarks in the RECORD of yesterday. I believe his analysis sound and constructive as to why this bill should not be enacted in its present form. I do not believe it can be successfully denied that this bill sets a precedent that will open wide the gates which will cause additional demand for legislation for the rights of other taxpayers similarly situated. I am unable to understand why the House Banking and Currency Committee failed and refused to accept the two amendments proposed by Congressman WRIGHT PATMAN, which were thoroughly discussed by him today on the floor, which amendments are as follows:

A new section to be inserted immediately after section 302, title 3, of the act approved March 9, 1933, as amended, and designated as section 302 (a), reading as follows:

Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency, pursuant to action taken by its board of directors, issue to the Reconstruction Finance Corporation its capital notes or debentures in such amounts and with such maturities as the Comptroller of the Currency may approve. The holders of such capital notes or debentures shall be entitled to receive such interest, at a rate not exceeding 6 percent per annum of the principal amount thereof, and shall have such conversion rights, priorities, control of management, and other rights, and such capital notes or debentures shall be subject to retirement or redemption in such manner and upon such conditions as may be provided therein with the approval of the Comptroller of the Currency.

Section 303 of said act approved March 9, 1933, as amended, should also be further amended by inserting after the words "preferred stock", appearing in the last sentence of said section, a comma and the words "or capital notes or debentures."

Section 304 of title 3 of said act approved March 9, 1933, as amended, should be further amended, as follows:

Strike out the words "preferred stock" appearing in the first sentence of said section and insert in lieu thereof the words "or purchase preferred stock, capital notes, or debentures" and strike out the third sentence of said section.

#### HOUSE COMMITTEE REFUSES TO FOLLOW HON. JESSE JONES' RECOMMENDATIONS

During the debate it was pointed out that Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, had asked the House Banking and Currency Committee to approve both of these amendments in substance. Now, since the Supreme Court in a well-written opinion has held that such bank stock in the hands of the Reconstruction Finance Corporation is not tax exempt and has never been tax exempt but in keeping with the clear letter of the law as above quoted has always been subject to taxation by the State, county, city, and local taxing divisions, and since it further appears that the Reconstruction Finance Corporation has entered into written contracts with these different banks from which they have purchased about \$1,000,000,000 worth of stock, notes, and debentures, which contract is binding upon both parties at a 3½-percent interest rate until 1940, and it further appearing that unless proper legislation is worked out that will permit the Reconstruction Finance Corporation to exchange the preferred stock on hand for notes or debentures that the Reconstruction Finance Corporation will be required to pay to the local taxing authorities the amount of taxes justly due, and it further appearing that if the two amendments to be offered on March 19 by Congressman PATMAN are adopted, which amendments, as I understand it, have the endorsement of Mr. Jones, and will

permit him to satisfactorily adjust this matter so as to relieve the Reconstruction Finance Corporation from further tax payment and to leave this question of taxation in status quo among the respective States, then it seems to me that in all good faith and conscience that the Members of the House, regardless of what the House Banking and Currency Committee thinks about it, should go on record favoring these two amendments which will stop this further tax-exempt encroachment program and will permit the respective States to tax said banks and their stock as they have done since 1864. If these amendments are defeated, or points of order are sustained against either or both of them, then the bill should be defeated. The House Banking and Currency Committee has ample time in which to work out satisfactory legislation on this subject, and same may be easily enacted into law before the close of this session.

#### BILL FULL OF DISCRIMINATIONS

Let me refer briefly to some of the discriminations that will be brought about if this bill is enacted into law.

First. If a bank's capital stock is a million dollars, one-half of it, \$500,000, is preferred stock; and if \$250,000 of this preferred stock is held by the R. F. C., it will be tax-exempt; and although it has been on the tax rolls in that locality for years before, it will be taken off by orders of the United States Congress, whereas the other \$250,000 of preferred shares held locally will be taxable, and the bank will pay taxes on it as heretofore.

Second. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction under this bill, while the national bank across the street that has not sold any of its shares to the R. F. C. will not obtain any tax reduction. It will pay taxes as heretofore.

Third. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction, but the State bank across the street will be compelled to pay taxes as heretofore.

Fourth. It will set a precedent which, if carried to its logical end, will cause Congress to pass the necessary law that will give all other national banks the same amount of tax exemption in the respective States and local communities where they are located.

Fifth. It will be a precedent for Congress to pass the necessary law to reduce taxation 50 percent on all banks in the 17 States and the District of Columbia where another method other than taxing shares of stock is in force. I refer specifically to the 17 States listed above.

#### TAXES LOST TO STATES

It was brought out in debate on the floor that over \$100,000,000 of bank stock has already been sold to the Reconstruction Finance Corporation, and final consummation is waiting the outcome of this legislation. If this legislation is enacted and this stock is purchased it will mean that the State, county, city, and school will lose at least another two and one-half million dollars in taxes stricken from their tax rolls. If this measure is enacted into law, according to the information Mr. Jones has furnished the committee, the local taxing authorities will lose \$55,512,736.38, as shown by the following schedule:

Schedule of taxes on national-bank shares

States taxing national bank shares	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per \$1,000)	Approximate amount of tax per year, based on information available
		Percent		
Arizona.....	\$1,340,000.00	100	\$51.20	\$68,608.00
Arkansas.....	1,275,000.00	50	52.34	33,366.75
Colorado.....	4,101,000.00	100	49.15	201,564.15
Delaware.....	137,300.00	100	2.00	274.64
Florida.....	1,177,500.00	50	2.00	1,177.50
Georgia.....	1,507,500.00	100	31.00	46,732.50
Idaho.....	565,000.00	67	62.23	23,557.17
Illinois.....	72,797,614.17	50	68.55	2,495,138.23
Indiana.....	6,857,980.00	100	2.50	17,144.95
Iowa.....	6,323,400.00	60	5.00	18,970.20
Kansas.....	2,190,500.00	100	41.96	91,813.38
Kentucky.....	3,182,350.00	100	13.00	41,370.55



## Schedule of taxes on national-bank shares—Continued

States taxing national bank shares	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per \$1,000)	Approximate amount of tax per year, based on information available
		Percent		
Maryland.....	\$2,607,540.00	100	\$12.20	\$31,811.98
Michigan.....	17,690,610.00	100	31.97	565,249.10
Minnesota.....	11,211,000.00	33½	108.00	403,596.00
Missouri.....	4,217,125.00	100	32.05	81,095.31
Montana.....	1,061,000.00	30	70.00	22,281.00
Nebraska.....	4,842,450.00	100	10.00	48,424.50
Nevada.....	175,000.00	100	41.14	7,199.50
New Mexico.....	401,000.00	100	43.40	17,283.40
North Carolina.....	1,317,500.00	100	18.49	24,360.57
North Dakota.....	1,897,000.00	50	65.23	61,870.65
Ohio.....	22,828,073.00	100	2.00	45,656.15
Pennsylvania.....	19,394,886.50	100	4.00	77,579.54
Rhode Island.....	648,500.00	100	4.00	2,594.00
South Carolina.....	1,505,000.00	40	90.08	135,570.40
South Dakota.....	2,748,000.00	100	4.00	10,992.00
Tennessee.....	7,790,000.00	100	22.98	179,014.50
Texas.....	21,969,625.00	75	43.01	714,685.18
Virginia.....	3,043,900.00	100	10.00	30,439.00
West Virginia.....	2,416,066.66	100	5.47	13,215.88
Total.....	229,209,420.33			5,512,736.38

## CAN PAY BIG SALARIES BUT CANNOT PAY TAXES

If the Congress is going to set up this discriminatory system of tax exemption for the favored groups on the plea that the poor banks are unable to pay the taxes, and that because the Government has purchased their stock, the Government should not be forced to pay their taxes, where will this policy and all of our tax exemptions end? If the banks of the Nation have been greatly benefited by the aid rendered by the Reconstruction Finance Corporation in the purchase of their stock, as we all know they have been tremendously benefited, and cannot pay their proportionate part of the tax burden, does it sound reasonable that they should be able to pay their bank officials salaries amounting from \$15,000 to \$50,000 per year?

In keeping with the condition of the country it seems that common justice should require these banks to pay their proportionate part of the local taxes, for it is well known that all the taxes so exempted must be paid for by increased renditions on the others in that community.

## FURTHER DISCRIMINATIONS

If we are to exempt from taxation preferred stock of the bankers in the hands of the Reconstruction Finance Corporation, then why should not the farmer who owns a \$10,000 farm and gets a loan from the Government for \$5,000 to save his farm be entitled to the same exemption; for the same reason the home owner who secures a Government loan on his home, or the businessman who receives a Government loan on his business through the Reconstruction Finance Corporation, or the railroad who secures a loan from the Reconstruction Finance Corporation. Why should not all of these parties receiving help from the Government in the aid being rendered to save their property be entitled to the same fair consideration as is being given, under the provisions of this bill? If we are to exempt the bank stock from taxation we should exempt the farmers, the home owners, the merchants, the railroad men, and so forth, from the further payment of taxes up to the amount of the loan they have received from the Government and allow them to pay taxes on the equity they own in their property.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

## ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9863. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards,

commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

## ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Thursday, March 19, 1936, at 12 o'clock noon.

## COMMITTEE HEARINGS

## COMMITTEE ON THE PUBLIC LANDS

Meeting of the Committee on the Public Lands in room 328, House Office Building, Thursday, March 19, at 10:30 a. m., to consider various bills.

## COMMITTEE ON IMMIGRATION AND NATURALIZATION

Committee on Immigration and Naturalization will continue hearings on H. R. 11172, Thursday, March 19, 1936, at 10 o'clock a. m., in room 445, House Office Building.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOXEY: Committee on Agriculture. H. R. 9217. A bill to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.; without amendment (Rept. No. 2204). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H. R. 11894) to provide for Senate ratification of foreign-trade agreements; to the Committee on Ways and Means.

By Mr. McFARLANE: A bill (H. R. 11895) providing for taxes to meet expenditures; to the Committee on Ways and Means.

By Mr. YOUNG: A bill (H. R. 11896) to provide for the construction by the Secretary of the Navy of a Federal building for use as a Naval Reserve and Marine Corps Reserve Armory of the District of Columbia; to the Committee on Naval Affairs.

By Mr. GRANFIELD: A bill (H. R. 11897) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNHAM: A bill (H. R. 11898) to transfer certain national-forest lands to the Capitan Grande Mission Indian Reservation, Calif.; to the Committee on the Public Lands.

Also, a bill (H. R. 11899) to transfer certain national-forest lands to the Los Coyotes Mission Indian Reservation, Calif.; to the Committee on the Public Lands.

By Mr. MARCANTONIO: Resolution (H. Res. 453) directing the Secretary of State to transmit to the House of Representatives information concerning Victor A. Barron, American citizen, who met his death while in the custody of Brazilian police; to the Committee on Foreign Affairs.

By Mr. KNIFFIN: Joint resolution (H. J. Res. 529) directing the Federal Trade Commission to investigate and report to the Senate and to the House of Representatives the cause or causes for the high prices of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.



## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 11900) for the relief of Joseph J. Neiser; to the Committee on Naval Affairs.

By Mr. CASEY: A bill (H. R. 11901) for the relief of Henry Werre; to the Committee on Claims.

By Mr. EICHER: A bill (H. R. 11902) granting a pension to Idora B. Stucker; to the Committee on Pensions.

By Mrs. GREENWAY: A bill (H. R. 11903) for the relief of Arthur Lee Dasher; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 11904) for the relief of Samuel Cripps; to the Committee on Claims.

Also, a bill (H. R. 11905) for the relief of Arthur Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 11906) for the relief of Jessie T. Zappa; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 11907) granting an increase of pension to Phebe L. Alspaugh; to the Committee on Invalid Pensions.

By Mr. McGROARTY: A bill (H. R. 11908) granting a pension to Mary A. McCullough; to the Committee on Invalid Pensions.

By Mr. O'NEAL: A bill (H. R. 11909) for the relief of Leo J. Moquin; to the Committee on Military Affairs.

Also, a bill (H. R. 11910) for the relief of Amelia K. Abel, administratrix of the estate of Louis Abel; to the Committee on Claims.

By Mr. SANDERS of Louisiana: A bill (H. R. 11911) for the relief of Sudie Kennon; to the Committee on Claims.

Also, a bill (H. R. 11912) for the relief of Geraldine Dyson; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 11913) for the relief of Charles Tabit; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 11914) for the relief of Joseph John Douglas; to the Committee on Naval Affairs.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10556. By Mr. CULKIN: Petition of 64 residents of Jefferson County, N. Y., urging that legislation be passed this session to extend indefinitely existing star routes and to increase the compensation thereon in proportion to other mail routes; to the Committee on the Post Office and Post Roads.

10557. By Mr. LAMBERTSON: Petition of Rural Hope Club of Jefferson County, Kans., urging a foolproof neutrality law; to the Committee on Foreign Affairs.

10558. By Mr. PFEIFER: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10559. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the Lundeen bill (H. R. 10595); to the Committee on Interstate and Foreign Commerce.

10560. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning House bill 9961; to the Committee on Interstate and Foreign Commerce.

10561. Also, petition of the Shippers' Conference of Greater New York, concerning the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, MARCH 19, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess, the meeting being in executive session under the unanimous-consent agreement entered into March 12, instant.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into on March 12, instant, the Senate

automatically goes into executive session to consider the nomination of Edwin R. Holmes to be United States circuit judge, fifth circuit.

## THE JOURNAL

As in legislative session,

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 18, 1936, was dispensed with, and the Journal was approved.

## CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lewis	Reynolds
Ashurst	Davis	Logan	Robinson
Austin	Dickinson	Loneragan	Russell
Bachman	Donahay	Long	Schwellenbach
Bailey	Duffy	McGill	Sheppard
Barbour	Fletcher	McKellar	Shipstead
Barkley	Frazier	McNary	Smith
Benson	George	Maloney	Stelwer
Blibo	Gibson	Metcalf	Thomas, Okla.
Black	Glass	Minton	Thomas, Utah
Brown	Gore	Moore	Townsend
Bulkley	Guffey	Murphy	Truman
Bulow	Hale	Murray	Vandenberg
Burke	Harrison	Neely	Van Nuys
Byrd	Hatch	Norbeck	Wagner
Byrnes	Hayden	Norris	Walsh
Capper	Holt	O'Mahoney	Wheeler
Caraway	Johnson	Overton	White
Clark	Keyes	Pittman	
Connally	King	Pope	
Copeland	La Follette	Radcliffe	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. TRAMMELL] are absent because of illness; and that the Senator from Washington [Mr. BONE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. McCARRAN], the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McABOOL], and the Senator from Rhode Island [Mr. GERRY] are necessarily detained. I ask that this announcement stand of record for the day.

Mr. VANDENBERG. I announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is detained at home by illness. I ask that this announcement stand for the day.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to names. A quorum is present.

## RECOVERY FROM THE DEPRESSION

Mr. WAGNER. As in legislative session, I wish to make a very brief statement, and then I am going to request unanimous consent to have a speech printed in the RECORD.

The VICE PRESIDENT. Is there objection to the Senator from New York proceeding as in legislative session? The Chair hears none, and the Senator from New York is recognized.

Mr. WAGNER. Mr. President, every new development, such as the recent reports on income-tax returns, bears evidence of the phenomenal recovery of business during the past year. This improvement has now reached the stage where it cannot be denied by anyone. There is room only for explanation as to what has brought it about. One explanation, which we may call rational, is that progress has been stimulated by the Roosevelt policies, by applying an affirmative remedy to the troubles that beset the farmer, the home owner, the banker, the businessman, and the worker. The other explanation, which we may call irrational, is that the recovery, like the depression, just happened by accident. Some of those in this second school of thought go even further. They claim that the gains would have come even faster if we had done nothing, and that the New Deal is waving a red banner and trying to flag down the train of progress.